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FINANCIAL TIMES

U.S. unions struggle to stop the rot, Page 18

EUROPE'S BUSINESS NEWSPAPER

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NEWS SUMMARY

GENERAL

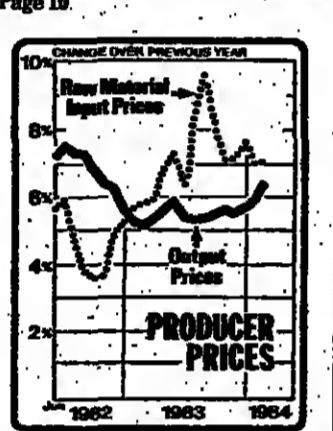
Managua takes US to World Court

Nicaragua yesterday went ahead with World Court proceedings against the U.S. for allegedly secretly plotting the overthrow of its government...

BUSINESS

IG Metall split on strike action

IG METALL, West German engineering workers' union, yesterday failed to agree on strike action to back its claim for a 35-hour week...



Britain 'should be able to cope with N. Sea run-down'

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

Britain's economic future as North Sea oil starts to run out is a problem "that we ought to be able to take in our stride," Mr Nigel Lawson, Chancellor of the Exchequer, said yesterday.

In a panoramic survey of the effects of oil discoveries on Britain's economy, Mr Lawson provided a major counterblast to the view that the UK faced a dismal future as oil production began to decline...

Mitterrand and Thatcher may meet on budget

BY JOHN WYLES IN BRUSSELS

PRESIDENT FRANCOIS Mitterrand is expected to meet Mrs Margaret Thatcher, the British Prime Minister, shortly for emergency talks following a deterioration yesterday in negotiations on reductions in Britain's EEC budget payments.

According to senior EEC officials, the top-level meeting will be necessary to prevent progress made during and since the Brussels summit last month being lost.

Mondale and Hart test a fickle market

By Reginald Dale, U.S. Editor, in Philadelphia

"HOW'S business?" asked Walter Mondale, popping his head into Anastasio's fresh seafood store. "Right now, you're ruining it," the proprietor said. It was a bit unfair to a man who can cheerfully don an apron and clean and gut a pike with the skill of a fishmonger...

Shuttle delay

A second try by U.S. space shuttle astronauts to catch a disabled satellite was put off until tomorrow.

Rally for Rio

A rally in Rio de Janeiro today, the climax to a nationwide campaign for direct presidential elections in Brazil, is expected to draw half a million.

Zia will not run

Pakistan's military ruler, Gen Mohammad Zia ul-Haq, said he would not run for President in elections promised for next March, and thought those who sought authority were hypocrites.

Mine leaders held

Three senior officials of the British miners' union were arrested during picketing, on the eve of an emergency parliamentary debate on the police role in the mining dispute. Page 16

Rebels claim victory

Eritrean guerrillas said they warded off a big Ethiopian Government attack on their positions near the northern city of Keren.

Museum reshuffle

The director and deputy director of Budapest's Museum of Fine Arts have been replaced after the theft of seven paintings. The works were recovered in January.

East German flees

An East German man escaped across the Berlin Wall under fire, but his companion failed to reach the West with him. Bonn seeks freer travel. Page 3

Dutch racism move

The Anne Frank Foundation of Amsterdam asked the courts to ban a policy document of the extreme-right Centrum party saying that violence against foreigners may be legal and justifiable.

Basques ask pardon

More than 40 convicted Basque separatist guerrillas asked the Spanish Government for a pardon, after pleading to abandon violence and respect democracy.

Olympic protest

The Soviet Union accused the U.S. of campaigning to stop its competing in the Los Angeles Olympics and called for an emergency International Olympic Committee meeting. Korean split, Page 4

Doctors work on

Australian doctors dropped plans to strike in protest at government plans to fix fees, allowing the implementation of Medicare health service plans. Page 4

DOLLAR recovered from a weak start in London but closed lower at DM 2.62 (DM 2.622), FRF 8.0575 (FRF 8.07), SwFr 2.172 (SwFr 2.175) and Y225.25 (Y225.23). Its trade-weighted index slipped 0.2 to 127. Page 43

STERLING improved in London to \$1.4315, up 30 points, and to DM 3.7525 (DM 3.7475), FRF 11.53 (FRF 11.525) and Y322.75 (Y322). It was unchanged at SwFr 3.11. Its trade weighting was 80.1 (79.8). Page 43

LONDON: FT Industrial Ordinary index rose 1.8 to 867.2. Report, Page 37; FT share information service. Pages 38-39

WALL STREET: Dow Jones index was up 1.47 to 1,133.89 before the close. Report, Page 33; Full share listings. Pages 34-36

TOKYO: Nikkei Dow index added 58.98 to 10,890.70. The Stock Exchange index was 3.53 higher at 833.34. Report, Page 30; Leading prices, other exchanges. Page 30

HIGHS AND LOWS in the FT share information service and associated statistics are changed today from 1983-84 to current year figures.

U.S. INDUSTRIES rejected a \$23-a-share offer from Hanson Trust of Britain. A board committee recommended negotiations on a rival leveraged buyout plan involving Kelco, New York investment bank. Page 31

MARSH & McLENNAN, world's biggest insurance broker, is to take a \$60m extraordinary after-tax charge in the first quarter because of heavy losses in its bond dealing department. "in violation of authorised trading limits." Page 21

AUSTRALIAN cabinet approved proposals to lift restrictions on deposit terms for banks and raise the number of foreign exchange dealers.

INDIAN trade deficit came down to \$5.58bn rupees (\$3.3bn) in the April-December period last year, against \$4.05bn rupees a year earlier. Page 2

IRI, big Italian state holding group, announced plans to partly privatise 13 of its companies by offering shares on the Milan bourse and to foreign investors. Page 21

Hawke presses Tokyo over U.S. beef accord

BY COLIN CHAPMAN IN SYDNEY

THE AUSTRALIAN Government is sending Mr John Kerr, the Industry Minister to Tokyo today in an effort to sort out trade problems that have been complicated by Sunday's agreement in Washington to boost U.S. beef and citrus shipments to Japan.

Reuters may seek stake in Mercury

BY GUY DE JONQUIERES IN LONDON

REUTERS, the international news agency and business information group which plans a public flotation next month, is discussing purchasing an equity interest in Mercury Communications, the privately-owned competitor to British Telecom.

Sales rise boosts Bayer profits

BY JOHN DAVIES IN FRANKFURT

BAYER, the West German chemical and pharmaceutical group, boosted worldwide pre-tax profits by 123 per cent to DM 2.16bn (\$827m) last year, with a particularly strong performance in the fourth quarter.



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Table with columns for section name and page number. Includes Europe, America, Overseas, World Trade, Britain, Companies, Agriculture, Appointments, Arts, Commodities, Crossword, Currencies.

Table with columns for section name and page number. Includes US trade unions, UK West Midlands, Turkey, Egypt, Technology, Management, Mexico, Editorial comment, Lex, Refurbishing, Survey.

EUROPEAN NEWS

Fear of persecution and economic persuasion have quietened dissidents

Turkey cracks down on the Kurds

BY DAVID BARCHARD IN ANKARA

AFTER four years of military government, deep and possibly irreversible changes seem to be under way in the once troubled provinces of Eastern Turkey.

The area is economically backward. Until recently the estimated 5m Kurdish speakers, the majority of the population, have lagged decades behind the west of the country.

Few women can be seen in the streets and the segregation of the sexes makes Western Turkey seem like a feminist paradise. The clan system has not entirely disappeared and tribal chieftains remain powerful.

Although martial law came to Eastern Turkey about a year

before the 1980 military coup, it was not until later that the authorities completed their crackdown against the Kurdish nationalists.

The Kurdish nation has been under attack across its Asian frontiers. In Turkey, the strands of cross-border co-operation have been severed and the bonds of language and culture are growing less strong.

The onset of a more comfortable life, less subject to nationalist violence, seems to be attractive to a clanless people.

written in Turkish because only a small number of Kurdish speakers have ever learned to write their language. The major city in the region, Diyarbakir, had a Kurdish Socialist mayor, Mr Mehdi Zana, and it was possible to buy cassettes and newspapers in Kurdish under the counter.

Today Mr Zana is serving a 24-year jail sentence in Diyarbakir. Thousands of other Kurdish nationalists are also in jail and the slogans, the cassettes and the newspapers have

Only a few intellectuals and Leftists in Van and Diyarbakir are now willing to discuss the Kurdish question. Times have never been bleaker; not only is the region under the control of central government as never before, but it looks as if, despite the harshness with which law and order was restored, the local population is grateful to

The restrictions were tightened further in the political parties law and the Press law of 1983.

In part the mood has changed because the Turkish Kurds are now largely cut off from those in Iraq and Iran for the first time.

The Government in Iran is in control of its regions, and although the Gulf War has weakened Iraq's hold on its Northern provinces, last May Turkey broke the power of the major Kurdish groups in Iraq, many of whom were fugitives from the Ankara military government with armed incursions into Iraq.

The recent modernisation of the area has made striking advances. Shops in Van sell a range of consumer goods and clothing not available a few years ago. There is less abject poverty. The villages, which

of Kurdish since 1980 had not been widely understood or resented. The 1982 constitution prohibits the use of any language except Turkish for education, broadcasting, or publishing. Any form of regionalist or separatist activity is severely punished.

The price of restoring order has been high. Reporting restrictions in the area make it impossible to say how high. "I don't know exactly what goes on here myself," said one local journalist. An indication of the cost, however, can be gleaned from news leaking out from Diyarbakir military prison earlier this year that large numbers of political detainees, some reports said as many as 60, were shot dead for rioting in protest at the slowness of their trials.

There was no sign that this incident has aroused widespread nationalist indignation or provided martyrs for the future.

remain deeply religious and conservative now have electricity, television, telephones and access roads.



Two Kurdish militants emerge from a hideout in the Eastern Turkish mountains during the 1981 army crackdown.

The majority of the population in Van seem to take a similar view of politics and national issues as elsewhere in Turkey.

Critics of the Turkish Government's attempts to enforce linguistic and cultural uniformity have to contend not only with the evident apathy of the Kurds of the area, but also with memories from the past.

The Turkish and Kurdish population of Van lives in a city which 100 years ago was largely Armenian. There are still several square kilometres of ruined houses to remind them of the mutual slaughter that took place during World War One and the heavy cost that can be paid when separatist nationalism collides with the power of a state determined to preserve its unity.

Military threat to democracy fades in Spain

BY DAVID WHITE IN MADRID

THE SEAT of the provincial military authorities in Madrid is the scene of a court-martial opening today of four army officers accused of plotting Spain's last known coup conspiracy on the eve of the general election in October 1982.

The plot was the 17th anniversary in 100 years of Spanish history. In that time only two—the 1923 coup installing the Primo de Rivera dictatorship and the 1936 military uprising which launched the Civil War—met with success.

The "colonels' coup" was defeated on October 2 1982, with the arrest of two artillery colonels and the brother of one of them, a lieutenant-colonel, for whom the prosecution is demanding 15-year prison sentences.

Prosecution documents allege that the coup, set for October 27, was to be launched by Operation Falcon, in which party offices, newspapers, broadcasting and communications centres, railway stations, Madrid airport and the homes of key ministers would be occupied.

The court-martial, held in public but expected to last more than a few days. This contrasts with the lengthy proceedings over the coup attempt of February 1981—when there was shooting in the Cortes and tanks in the street in Valencia—which led to 30 jail sentences.

A bigger contrast, however, is the lack of drama surrounding the trial. This is due partly to the relatively low standing of the officers involved, but also to the fact that, while the alleged plot overshadowed the Socialist arrival in power, Spaniards are now manifestly less worried about the army than they were.

The fading of the military threat can be ascribed to several factors. One is the skill with which the Socialist Government has handled the armed forces, including imposing a more direct chain of command under the minister of defence. In January this year it appointed an admiral to the new post of chief of defence staff and simultaneously replaced the heads of all three services, choosing officers of impeccable reputation.

Second, the clear majority won by the Socialists in 1982 makes it harder for *Golpistas*—advocates of a right-wing coup—to claim to represent a popular will.

Thirdly, the 1981 rebellion gave many officers an unpleasant lesson. The operative image, caught on television, of a Civil Guard with a three-cornered hat and headscarf mustache holding Parliament hostage exposed the Spanish military to international ridicule. The coup attempt also scuttled the idea that an army takeover could obtain legitimacy through King Juan Carlos.

Nevertheless, a rebellious minority still exists, as was shown by the controversy over the stiffer sentences handed down against the 1981 plotters at the Supreme Court appeal last year. Several retired and active officers, including the then captain-general of the Valladolid military region, were disciplined for publicly justifying the coup and

demanding pardon for its leaders who are serving 30 year sentences.

Military anger continues to be provoked by the Eta Basque separatist movement, whose victims included a retired general shot in Madrid in January. The seventh general to be assassinated since 1978.

Colonel Jose Ignacio San Martin, who was sentenced to 10 years' prison for his part in the 1981 revolt, said recently that if it were not for Eta the coup attempt would never have taken place.

Though a minority, the extreme right-wingers are still reckoned to be stronger, and certainly better armed, than professed liberals in the army. The current generation of senior officers all made their careers under Franco, who, while running his armed forces cheaply, created a mystique for the military after the psychological blow received from its defeat in North Africa in 1921.

The idea of giving back the military a sense of mission is one argument used by these Socialists who favour keeping Spain in NATO.

King Juan Carlos, the Defence Minister, is in the process of drawing up an ambitious programme for re-equipping and modernising the forces. Conscript service is being cut from 15-18 months to 12-15 months in



King Juan Carlos: opposed takeover

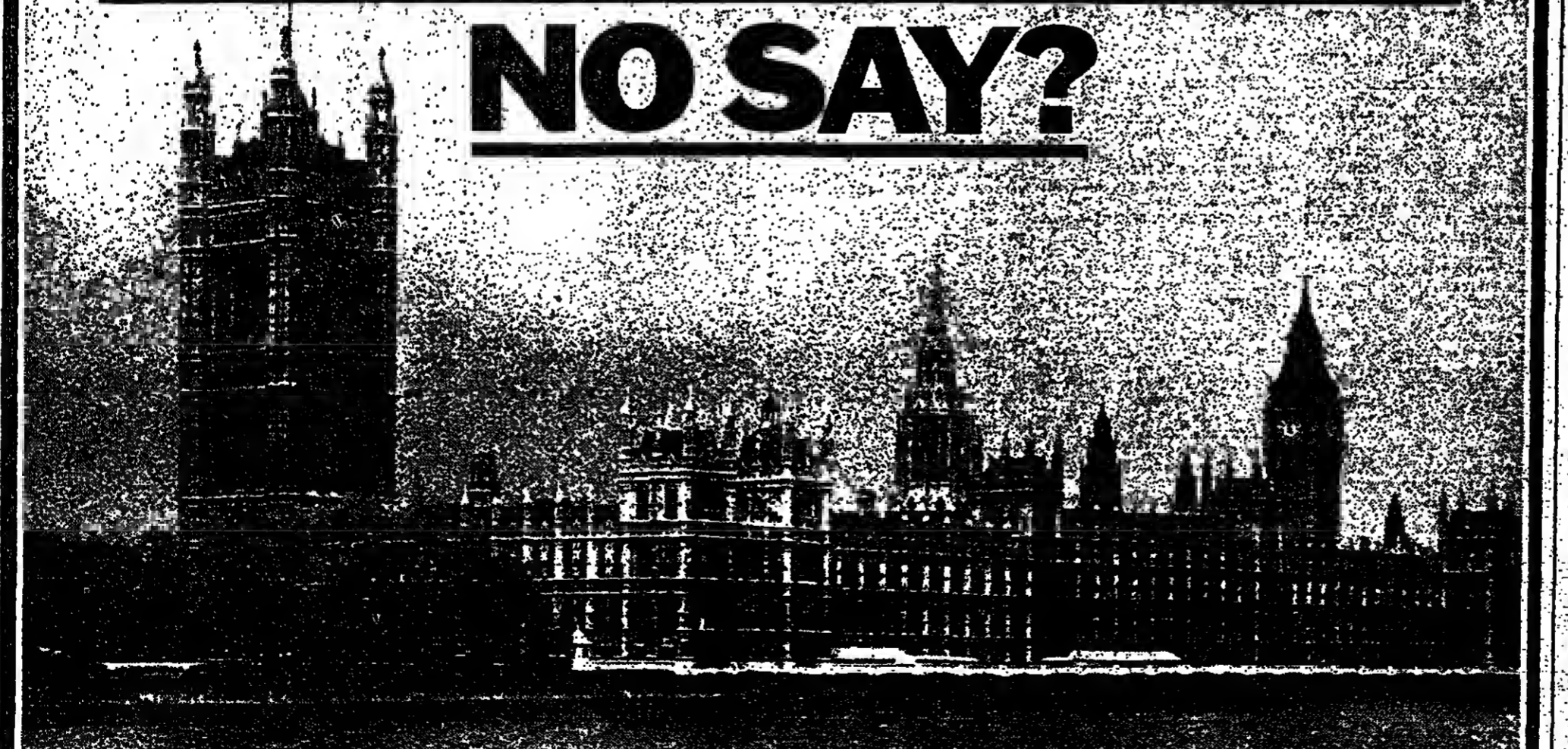
a plan to reduce the army's strength from 230,000 men eventually to around 150,000. The number of military regions is to be cut from nine to six and top command posts given to less senior officers.

The number of career soldiers from conscript reserves is to be reduced from 41,700 to 35,300, with the biggest cuts at the top: lieutenant-generals from 19 to 10, major generals from 51 to 35, brigadier generals from 130 to 96, colonels from 970 to 600.

A top-heavy army, noted for the age of its commanders and its equipment and deployed according to criteria of internal more than external threats, is thus being reorganised into a trimmer, more professional force. Pay is being raised to match civil service levels.

However, the gulf between the military with its political training and the rest of democratic Spain will take longer to bridge. A soldier's regimental to be found at the Army museum in Madrid. There, among the Franco mementoes, the Nationalist cause in the Civil War is still referred to as "the crusade" and the defeated Republican forces as "the enemy."

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Norway MPs to vote on refinery plan

By Fay Gjester in Oslo

NORWAY'S centre-right Government will seek parliament's approval this week for an Nkr. 4.5bn (\$1.1bn) scheme to upgrade and expand the 6m-tonnes-a-year Mongstad oil refinery in the west of the country.

The decision ends a long struggle within the cabinet and civil service over whether it will pay its way. The 3,000 jobs it will create in an area of high unemployment will be a significant political bonus in next year's general election campaign.

The move has been welcomed by Statoil, the state oil company, which has a 50 per cent stake in the refinery and itself proposed the expansion scheme. Statoil's partner at Mongstad, Norsk Hydro, has said it does not want to participate.

However, Statoil has been defeated over its proposal for a costly oil pipeline to link the Oseberg and Gullfaks fields in the North Sea with a terminal at Mongstad.

The government has decided on a simpler, cheaper scheme to run a line from Oseberg to a terminal at Store on the island of Alvo. From there, oil will be moved to Mongstad by tanker.

Austrian budget deficit higher than forecast

By Patrick Mann in Vienna

THE AUSTRIAN Government's gross budget deficit reached Sch 91.1bn (£3.4bn) last year, some Sch 16.8bn higher than expected. Net, the figure was Sch 65.5bn, Sch 17.2bn above expectation and representing 5.5 per cent of gross national product.

The Government blames these results on the effects of the world recession on the economy during the previous three years. Some officials suggest, however, that the larger deficit was inevitable in the absence of preventative measures. With a general election called for the early spring last year, Government action was effectively postponed.

The deficit was exacerbated by lower than expected tax returns.

The new Government has given priority to reducing the budget deficit and consequently has sought to increase revenues with new and higher taxes as well as cuts in some expenditure. The aim is to bring the net deficit to under 5 per cent of the gross domestic product this year.

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Radical plan to boost German links

BY LESLIE COLT IN BERLIN

THE Free Democrat Party (FDP) in West Berlin has proposed a "reunification of people" in East and West Germany to raise East Germany's standard of living with West German help and to enable East Germans to come to West Germany as visitors and not as refugees.

The FDP in West Berlin and in West Germany is the junior coalition partner of Chancellor Helmut Kohl's Christian Democrats (CDU).

The proposal, presented to national leaders of the FDP last weekend, maintains that only if East Germany's standard of living approximates that of its Western neighbour is the widespread desire of

East Germans to leave likely to subside. This would open the chances for free East German travel to the West.

The two countries should conclude a long-term economic agreement, including the formation of a bank in Berlin to conduct all commercial and private payments between them. This would ease East Germany's access to Western financial markets in co-operation with West German banks.

The bank, it is proposed, would administer a fund to help finance structural economic improvements in East Germany and would permit East Germans to exchange their non-convertible Marks at parity with D-Marks when

visiting West Germany.

An agreement on travel without visas would permit "every German" to cross the inner-German border with an identity card. Under such conditions the Berlin FDP says it would advocate withdrawing the Bonn Government's "long list of benefits" for East Germans wanting to remain in West Germany. This would be an important concession to East Germany.

The benefits now offered include payments of DM 150 to each adult and DM 75 for each child arriving at refugee centres.

The refugees are automatically classified as unemployed as they are eligible for the same unemployment benefits as

West Germans. They are also given priority when applying for flats at government-subsidised rents.

The proposal envisages that government aid would be given only to those East Germans who would be in acute danger if they returned home or who had no chance of leading a normal life there.

Unlike others made recently the proposal ignores the thorny issue of formally recognising East German citizenship. The CDU has rejected a formal recognition as unconstitutional but is searching for ways for East Germans to be allowed to travel to the West without remaining there.

Athens bows to business over profits control Bill

By Andriana Ierodiakonou in Athens

THE GREEK Commerce Ministry has withdrawn controversial legislation to control trade margins and revise existing pricing, distribution and marketing regulations after protest by Greek traders and manufacturers. The Government still plans to set up an import intervention and export trading state agency.

Mr Vassilis Kedikoglou, the commerce minister, said a new Bill regulating profits and trade would be submitted to parliament at an unspecified future date.

Italy's clash between good and evil draws a thin crowd

BY JAMES SUXTON IN ROME

IT CERTAINLY did not look like the promised battle between the forces of good and evil. Indeed, the forces of good were nowhere to be seen yesterday at the lower house of the Italian Parliament.

A Communist deputy made an elegant speech to a house that contained only 15 members, almost all of them Communists. The benches occupied by the Christian Democrats, Socialists and other parties of Sig Bettino Craxi's coalition were empty.

There was no need for them to attend. This is the week in which the fate of Sig Craxi's measure cutting the scale mobile wage indexation system is due to be decided, but the outcome is virtually certain. It will probably fail to be passed by April 15 because Communists and other opposition deputies have put down 3,233 amendments and are resolved to "talk it out" by each speaking for the maximum 45 minutes.

The only consolation for the government is that it ought to win a vote of confidence on the decree before the final curtain comes down. It can then claim that only ruthless Communist opposition stopped it doing what the country needed.

Yet why all the fuss about a measure which cuts by only three the number of percentage points the threshold on the scale mobile index, which determines wage-earners' compensation for price increases this year?

The Communist Party considers the scale mobile an essential part of the compensation system for living in a state dominated by the bourgeoisie in which the second largest party (Communist) is

Inertia in Nato arms co-operation attacked

By Bridget Bloom, Defence Correspondent in Brussels

A SCATHING attack on the procedures for co-operative arms production within Nato was delivered yesterday by Mr Robin Beard, the newly appointed assistant secretary general of Nato.

He told a symposium on industrial co-operation here of his frustration with the inertia of Nato's bureaucracy and criticised the "lack of management leadership" within the 16-member organisation.

The Committee of Nato Armaments Directors (Cinad) which was founded in 1966 as the leading decision-making body on arms co-operation, had now well over 200 sub-committees with a "very leisurely work rate." Rapid changes in Nato's international staff and in weapon systems requirements meant that too few co-operative projects materialised, while others were seriously delayed.

Mr Beard, who for 10 years was concerned with arms co-operation within the Atlantic Alliance and a member of the U.S. House of Representatives Armed Service Committee, said he was shocked to find that his own Nato Defence Support Division did not have a single word processor and no data base information retrieval system.

However, the ultimate responsibility for the poor state of arms co-operation rested with politicians who too often made "statements of lofty aspirations" which had little impact on performance.

Mr Beard took over the Defence Support Division less than three months ago at a time when Nato is beginning to rethink its strategies if not its structure.

Editorial comment, Page 18

Bonn seeks freer travel for East Germans

BY JAMES MUGHAN IN BONN

BONN would like a general loosening of travel restrictions in East Germany as a means of stabilising conditions there after the current wave of emigration, according to Chancellor Helmut Kohl's chief adviser on German questions.

Herr Philipp Jenninger, minister of state at the Chancellery, believes that the present emigration—the largest shift of population between the two states since the building of the Berlin Wall in 1961—will halt over the next three months after 15,000-20,000 emigrants have crossed legally.

It is not Bonn's intention to "depopulate" East Germany and Herr Jenninger, along with other members of Herr Kohl's staff, is anxious that fear of a clamp-down is releasing an "avalanche" of applications to leave.

One way out of the dilemma, Herr Jenninger thinks, is for East Germany to permit its citizens to travel to the West more easily and without losing their jobs or status.

"Some people just want to visit a grandmother or see Hamburg and then go home," he said.

Herr Jenninger, who took part in talks in Bonn on Friday between Chancellor Kohl and Herr Guenter Mittag, a member of the East German Politburo, again warned against too high expectations on either side of the border from what is already known as the "German spring."

President Erich Honecker, of East Germany, is expected to pay an historic visit to the Federal Republic in the autumn but both sides seem to be careful not to fix a date.

In concrete terms, the East Berlin authorities have given a "firm assurance" that the automatic firing devices along the border will be removed, and "a number of the things which have been cleared, he said. However, nobody should gain the impression that the border was passable and shots were fired during an escape attempt in Berlin on Sunday.

West Germany's balance of payments was DM 4.1bn (£1,099m) in surplus in February, compared with a DM 163m (£42m) deficit in January, according to the central bank's figures, AP-DI reports from Frankfurt. The February surplus compared to one of DM 5,625m a year earlier. The DM 2.5bn surplus over the first two months of the year compared with DM 2,844m for the same period last year.

Herr Jenninger, who played a crucial role in Bonn's guarantee for a DM 1bn (£270m) credit to East Berlin last summer, said that this "important signal" had also encouraged East Germany to move quickly in processing the so-called "old cases"—applications to emigrate several years old—which had led to the wave of emigration. East Berlin has also exempted children from the compulsory daily exchange of hard currency by visitors.

But Bonn has no intention of "demanding too much" from East Berlin, which might excite tensions within the ruling hierarchy or with the Soviet Union.

During the delicate run-up to the Honecker visit, Herr Jenninger expects better economic and environmental co-operation. An agreement on cleaning the Weser-Werra river system, which waters both countries, will be signed soon, he said.

He warned, however, that the East Germans cannot expect Bonn to move on three important East Berlin demands, either because Bonn is constitutionally unable to budge or because the matter is in Allied hands. These are a recognition of East German citizenship, the fixing of the border that runs down the Elbe, and the dismantling of a documentation centre on acts of violence by East Germany in Salzgitter, in Lower Saxony.

Metal union divided over strike

BY RUPERT CORNWELL IN BONN

GERMANY'S IG Metall engineering workers' union yesterday failed to agree whether to press strike action to further its campaign for a 35-hour working week.

After five hours of fruitless discussion in Frankfurt, the executive put off a decision until today. The delay increases the likelihood that any large strike ballot will not come until after the Easter break.

The main point at issue for

the union, which represents 2.5m workers, is easily the country's largest, is what attitude to take to the offer from otherwise intransigent employers of a new round of talks, following last Friday's abortive meeting between the two sides.

To accept, even without great prospect of successful outcome, would at least have the merit for IG Metall of buying time in which to find a compromise and a way out of the dilemma facing it.

To acquiesce in the em-

ployers' insistence on maintaining the 40-hour basic working week would be a severe loss of face for IG Metall's leadership.

On the other hand, much of the rank-and-file is against an all-out strike.

Meanwhile, IG Druck, the militant printing union, yesterday decided to carry out a "flexible" battle in its drive for the 35-hour week. This means in practice that strike ballots at so far unspecified plants will be called in all probability before Easter.

High Swedish wage deals bring government threat

BY DAVID BROWN IN STOCKHOLM

THE Swedish Social Democratic Government is considering a range of emergency measures, including price controls to salvage its economic policy, which is threatened by a series of high wage settlements.

Mr Olof Palme, the Prime Minister, has indicated "growing unease" about the pay deals, most of which break his Government's voluntary 6 per cent guideline which is intended to halve the inflation rate from 7.9 per cent to 4 per cent this year.

Mr Kjell Olof Feldt, the Finance Minister, said at the weekend that the Government is prepared to step in to preserve Sweden's external competitiveness and economic growth.

Precisely what measures the Government may take are unclear. Mr Feldt indicated that price controls must be combined with "other steps" in order to be effective.

Among the measures understood to be under discussion is the requirement that companies register plant price increases a month in advance.

Sweden's economy has performed better than expected after the 10 per cent devaluation in late 1982. The Government's attempt to hold the line on inflation has been complicated by strident union pay demands in the wake of several years of declining real income and in the face of record corporate profits.

Setback for Communists in French poll

By David Marsh in Paris

A FRESH indication of waning electoral support for the junior Communist partner in the French coalition came at the weekend when the party was decisively ousted from its mayoral seat in the traditional left-wing stronghold of Sete on the Mediterranean.

In a re-run of last year's municipal elections, which were judged invalid because of voting irregularities, M Yves Marchand, a member of the UDF opposition party, was confirmed as mayor, beating the previous Communist incumbent, M Gilbert Martelli.

M Martelli was beaten into second place last year on a slender majority of 96. Last Sunday, M Marchand swept home with a lead of 1,500, boosting his share of the vote by three percentage points.

The latest Communist setback follows a string of reverses in re-run municipal polls over the past few months, where the party has lost ground above all in the industrialised urban belt around Paris.



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Irish jobless down

Unemployment fell last month in Ireland for the first time in nearly five years, writes Brendan Keenan in Dublin. There was a drop of 2,000, leaving 214,000, or 17 per cent of the workforce, unemployed.



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OVERSEAS NEWS

Korea talks break down

BY ANN CHARTERS IN SEOUL

TALKS between North and South Korea on setting up a joint team for the 1984 Los Angeles Olympics collapsed just 24 hours after they began yesterday when North Korean delegates walked out.

There seems little hope of an early resumption of the talks at Pannunjom, on the border between the two countries. North Korean delegates said that before talks could continue Seoul would have to retract accusations that North Korea was responsible for the Rangoon bombing and an alleged kidnapping of a South Korean actress and film director.

Four Jews held over attacks

BY LYNNE RICHARDSON IN TEL AVIV

ISRAELI police have arrested four young Jews suspected of 14 grenade attacks against Christian and Moslem sites in and around Jerusalem. Mr Moshe Alexandroni, spokesman for the Jerusalem police said: "There were two wounded when the booby-trapped grenade blew up in El Azariya, East Jerusalem, and this makes the criminal offence attempted murder."

At Sunday's Cabinet meeting, Mr Sharon bitterly accused his colleagues of ganging up against him, after their unanimous refusal of his request for access to secret portions of the Kahan Commission's report dealing with the Sabra and Chatila massacres.

Don't worry about the noodle stall, but get the vaccine

By Bob King in Taipei

ONE IN FIVE of the inhabitants of Taiwan is a carrier of a deadly disease and one person in 10 will die of it. The symptoms range from none at all, to chronic fatigue and loss of appetite. In some infected persons may become jaundiced and bedridden; others may not even know they are ill.

Egypt instals new financing system

BY CHARLES RICHARDS IN CAIRO

EGYPT HAS formalised a new system for financing private-sector imports which, it is hoped, will be facilitated by a greater flow of remittances from workers abroad through official channels.

\$3bn a year of remittances from expatriate Egyptians enters the legal banking system and as little as possible is drained into the black market.

But private importers will still have to apply to a new committee in the Central Bank of Egypt which will vet imports. It is to give priority to industry and agriculture.

currency rates. There are now effectively six rates. The new regulations were to have been announced three weeks ago but the Prime Minister telephoned the economy minister in the midst of a three-hour press briefing telling local journalists not to use the word devaluation and saying that talks with the banks were still in progress.

Indian trade deficit narrows

By K. K. Sharma in New Delhi

INDIA'S TRADE deficit has narrowed substantially, falling to Rs 55,580n (£2,860n) in the period April-December 1983 from Rs 40,60n in the same period of 1982, according to the annual report for 1983-84 of the Commerce Ministry published yesterday.

The figures show that the trend, which began a couple of years ago, is continuing. The Government is drawing particular satisfaction from the fact that its exports of crude oil (produced in the offshore western continental shelf which cannot be processed in Indian refineries for the present) is not taken into account, the growth rate of exports works out at 15.4 per cent in the first nine months of 1983.

This suggests that the high growth rate should be maintained as there crude oil exports will cease soon when Indian refineries are modified to process the offshore crude, which is a sharp rise in world prices.

The report notes that import substitution in energy due to a sharp rise in domestic oil exploration and production is proving to be immensely beneficial. It is expected that crude oil production in 1983-84 will be nearly 28.2m tonnes, thus reducing the relative share of petroleum goods in India's total imports from 42 per cent in 1980-81 to 38 per cent during the first eight months of 1983-84.

Australian doctors decide not to strike

BY COLIN CHAPMAN IN SYDNEY

NEW SOUTH WALES doctors yesterday agreed to follow colleagues across Australia and call off planned industrial action in protest against the Government's insistence that they charge all patients fixed fees when providing services in public hospitals.

The back-down by the doctors on the eve of their planned state-wide strike is a considerable victory for Dr Neal Blewett, the Health Minister, and enables the Federal Government to complete the successful implementation of one of its major policies - the introduction of Medicare. Under Medicare all Australians receiving medical treatment still pay for their health costs, but have a plastic card which entitles them to reimbursement from the Government of the major portion of scheduled fees.

The dispute arose because of Dr Blewett's insistence that diagnostic specialists treating private patients in public hospitals charge no more than the scheduled fees. The specialists argued that they should be able to charge private patients whatever they liked, and the Australian Medical Association (AMA) saw Dr Blewett's move as the first step towards "nationalising medicine".

The doctors called off their action after the Government agreed to the establishment of a Joint Government-AMA working party to inquire into the rights of private practice in public hospitals.

New Zealand unions to strike over pay curbs

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S trade unions will launch a series of snap strikes and walkouts during the next two weeks at companies which recorded record or large profits during the past year.

The action is part of union efforts to force direct wage bargaining and to get employers to pay more than the NZ\$8.00 a week maximum wage rise allowed by the Government.

The wage rise limit is part of an extended pay freeze announced last month by Sir Robert Muldoon, the Prime Minister. The unions claim that they should receive between NZ\$17.00 and NZ\$35.00 to compensate for the rise in the cost of living.

representatives at the weekend agreed plans to have against individual companies who had had a good year financially. If companies refuse requests for direct wage bargaining negotiations, the unions plan to stage sudden, short strikes in the hope that companies with big profits will pay higher wages rather than lose production and possible export orders.

The unions are being careful to avoid long strikes, particularly in areas which would cause public disruption, because they fear the Prime Minister could use this as a reason to call early elections.

The Employers' Federation says companies would be in breach of the law if they paid more than the NZ\$8.00.

China's statements 'unsettle' HK

CHINA'S statements on Hong Kong's future do not generate confidence, Mr J. L. Marden, chairman of the Hong Kong General Chamber of Commerce, said in his annual statement yesterday. Reuter reports from Hong Kong.

Some companies are hesitant to invest in new machines while the future is uncertain, he added.

Zimbabwe remittances embargo 'temporary'

By Quentin Feil

DR BERNARD CHIDZERO, the Zimbabwean Minister of Finance, yesterday assured foreign investors that the recent embargo on remittances of profits and dividends would be temporary, and that his Government remained determined to attract foreign capital.

In a spirited defence of his recent exchange control measures, Dr Chidzero blamed three years of unprecedented drought, combined with the high cost of maintaining a viable multi-racial society, for the country's balance of payments crisis.

He assured former Rhodesians that the Government would strive to allow the remittance of pension payments, and would be prepared to give special consideration to any hardship caused to former residents no longer allowed to remit payments like rent income.

Angola accuses South Africa

By Our Africa Editor

SOUTH AFRICAN troops have yet to complete their withdrawal from southern Angola and have allowed guerrillas belonging to the dissident Uniao Nacional to take their place, according to Angola, the official Angolan news agency.

COME TO SHERATON WHEN IT COMES TO BUSINESS. CHICAGO, SHERATON INTERNATIONAL AT O'HARE, LOS ANGELES, SHERATON GRANDE, SHERATON PLAZA LA REINA, MONTREAL, LE CENTRE SHERATON MONTREAL, NEW YORK, ST. REGIS SHERATON, TORONTO, THE SHERATON CENTRE OF TORONTO, WASHINGTON, D.C., SHERATON CARLTON.

Cessna Citation III. The first in a new generation of corporate aircraft to deliver big-jet speed and comfort with small-jet fuel efficiency.

Taiwan's Development Centre for Biotechnology has now agreed to purchase \$4m worth of the vaccine from Institut Pasteur (Production), France and to pay another \$3.3m for Pasteur technology which will allow Taiwan to begin its own manufacture of the vaccine.

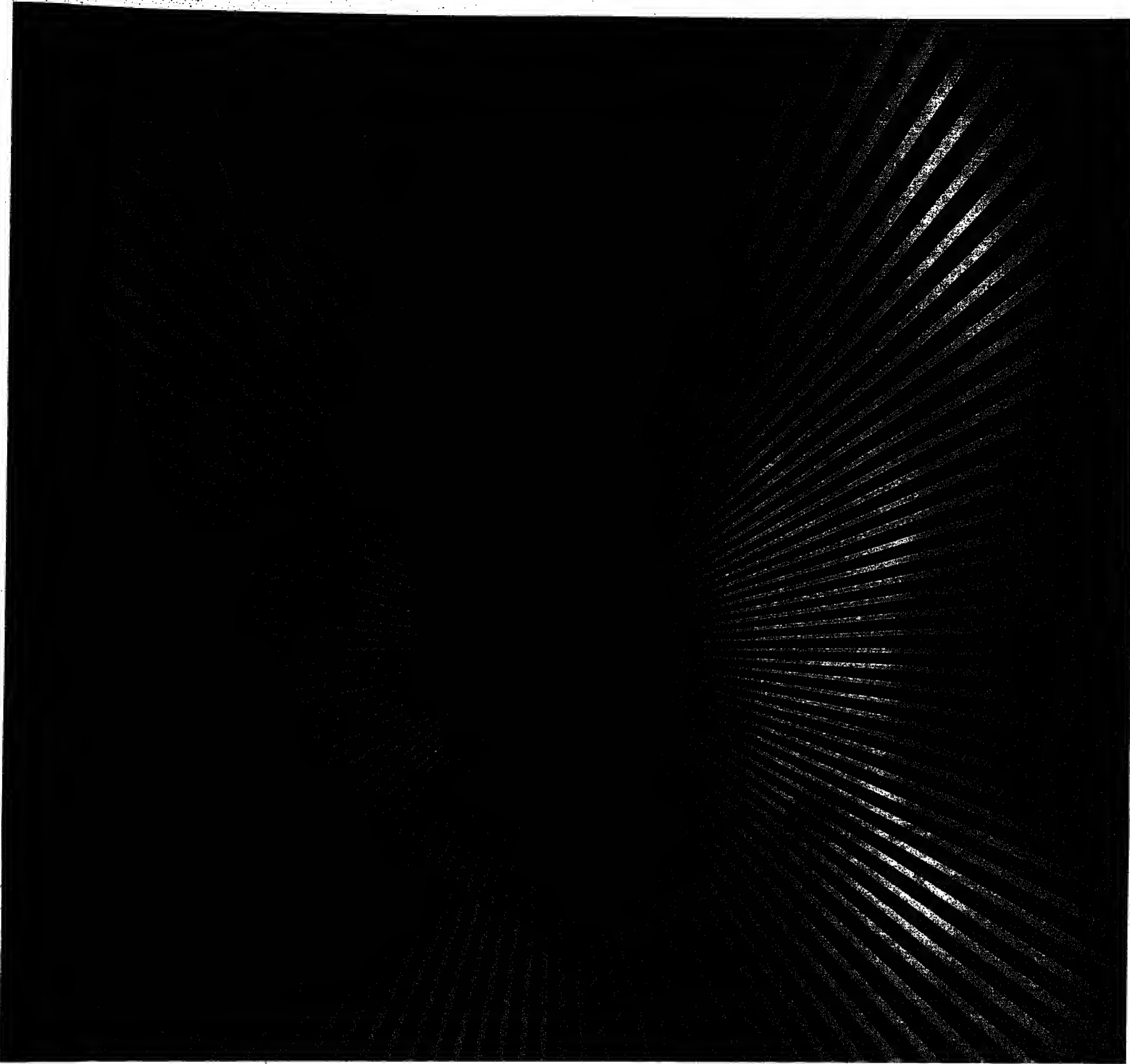
SHARP CORPORATION CHOOSE WREXHAM FOR £15 MILLION VIDEO RECORDER PLANT. Be SHARP! Check Wrexham. From a score of locations throughout Europe, we chose Wrexham for its new video manufacturing plant. So creating 630 new jobs.

Jacques Cartier 450th anniversary celebrations. Take the shortest route. To get to Rennes in the heart of Brittany, the shortest route is via Brit air. Then go to nearby St-Malo and see the world's most beautiful sailing ships, plus exhibitions, displays etc.

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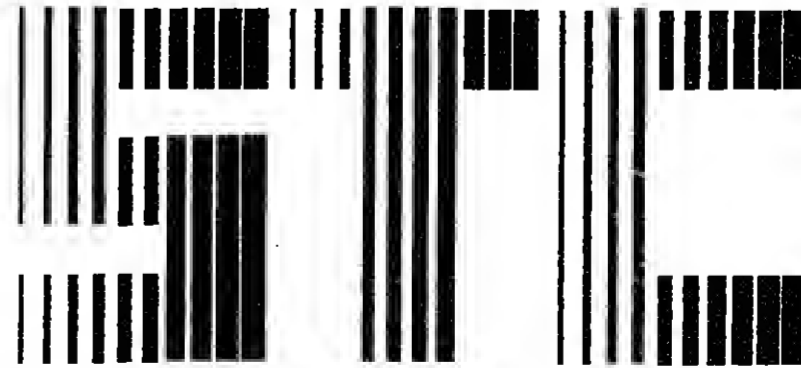
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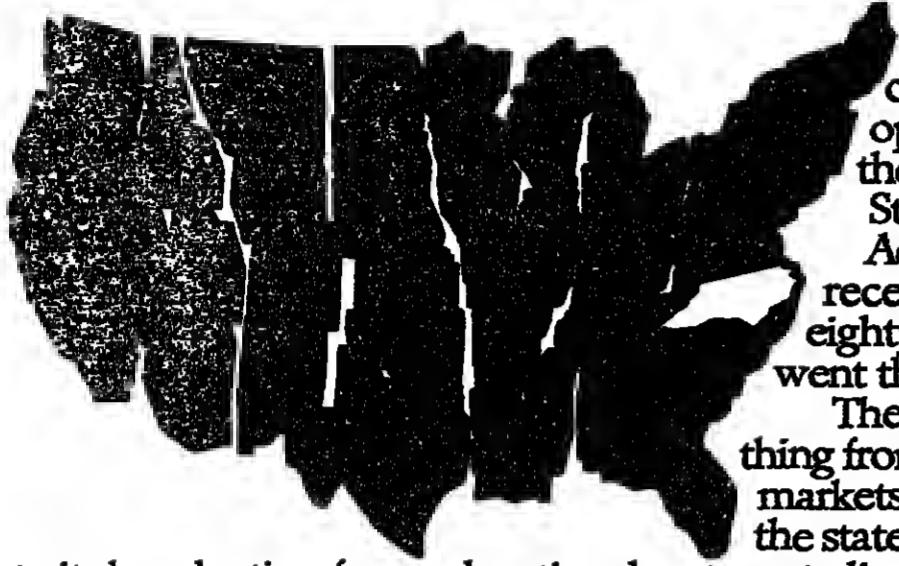
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AMERICAN NEWS

ALMOST 25% OF ALL THE FOREIGN COMPANIES WHO CAME TO THE U.S. LAST YEAR CAME TO THE SAME CONCLUSION.



When a company considers an overseas operation, it takes the United States apart State by state. According to the most recent 12-month figures, eighty-one companies went through the process. They examined everything from proximity to markets to labor force, from the state's business climate

to its bond rating, from educational systems to livability. And when they were through, with 50 states to choose from, 18 of the companies chose North Carolina. That's 22% of the U.S. total. What's more, of those who chose from the nine South Atlantic states, almost 50% came here. And these figures are no recent development. Over the past five years, we've been far and away the most popular choice for foreign companies—almost doubling our closest competitor. But you don't have to take our word for all this. We've put together an Official Directory of 320 overseas-based companies who operate in North Carolina. They're in all kinds of businesses, come from all over the world. So, you may find some friends already here. So call or write us for your free copy. Then contact some of the companies. And draw your own conclusions.

NORTH CAROLINA, USA

European Office: State of North Carolina, Wasserstraße 2, 4000 Düsseldorf, West Germany; Phone (0211) 320533; Telex 8581846 NCARD
U.S. Office: N.C. Dept. of Commerce, International Division, 430 N. Salisbury St., Raleigh, NC 27611; Phone (919) 733-7193; Telex 579480

Bargaining begins for Salvador election

By Robert Graham in San Salvador

HORSE TRADING for political alliances in the second round of El Salvador's presidential election - expected on May 6 - has begun even though no date for the run-off has been announced.

No candidate emerged from the first round on March 25 with the required clear majority. But the centrist Christian Democrat candidate, Sr. Jose Napoleon Duarte, obtained 43 per cent of the vote. His nearest rival was the right-wing extremist candidate of the Nationalist Republican Alliance (Arena), Maj Roberto d'Aubuisson. Sr Duarte can only be blocked from winning by a united right-wing vote.

Discreet moves have been made in the past few days to dump Maj d'Aubuisson in the second round. This week the National Assembly is due to debate an amendment to the electoral law, tabled by the Right-wing Salvadorean Popular Party (PPS), which would permit the substitution of presidential candidates in the second round.

The purpose of this move is to set up Sr Jose Francisco Guerrero of the traditionally conservative Party of National Conciliation (PCN) as the opponent of Sr Duarte in the second round. The PCN polled 19 per cent of the vote last month.

The U.S. Administration has insisted throughout the elections on its neutrality but its reservations about Maj d'Aubuisson - whose name has been linked to right-wing death squads - are public knowledge. The Americans have also scarcely concealed their preference among the three main candidates for Sr Guerrero with his safe views and close links to the military.

Maj d'Aubuisson is expected to resist strongly any move to have himself substituted. This means that the PCN will have to make up its mind on an alliance with him. PCN officials say they would prefer not to be too openly committed to Arena's fortunes when there will be elections to the National Assembly within a year.

Sr Duarte believes sufficient PCN voters will swing to him to ensure victory - simply because he is a less divisive figure. Sr Duarte's main strength is in the towns (in San Salvador province he got 53 per cent of the vote).

Argentine debt rescheduling raises anxieties in the IMF

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE WORLD'S financial leaders assembling in Washington tomorrow for the International Monetary Fund's interim committee will certainly not be echoing Mises's hope that "something will turn up". In recent years the IMF's meetings have provided an elaborate stage set for a series of impromptu scenes of crisis and financial brinkmanship.

Last autumn in Washington it was the corraling of commercial bankers and official lenders into a debt rescheduling agreement for Brazil. The year before in Toronto the discussion was all about how to prevent Mexico's debt problems from engulfing the financial institutions.

This week the focus is all the off-stage talks is likely to be Argentina's rescheduling difficulties, with a strong emphasis on various alarming possibilities of the "what if...?" variety.

The most obvious anxiety is that Argentina will fail to accept the IMF's terms for a programme of economic reform, the essential first step if U.S. and other banks are not to admit that their loans to Argentina cannot be serviced.

In that case, could the IMF bend its rules, and if so, how? That is certainly not the kind of question which ministers and central bankers want to ask in public. It perhaps helps to explain why three months ago the leading industrial nations reached a private understanding

that this week's IMF meeting "was not really necessary".

By that they meant that there was nothing to discuss that could not be better discussed in the more discreet councils of the Group of Ten, the club for the 10 richest nations (now 11 including Switzerland) which meets as privately as it can.

That is still broadly their view, because most of the topics likely to be raised by the poorer countries bristle with potential embarrassment for the developed nations. Those topics include:

● **Calls from the Third World** for a handout of liquidity through an increased allocation of Special Drawing Rights (SDRs); the IMF's own reserve currency. At present about SDR 17.5bn (\$18.8bn) are held in reserves. Some countries would like that to be increased by more than half, but that would provoke the U.S. Congress, which the Administration certainly could not tolerate in an election year.

● Although the French will renew their support for an SDR allocation, most of the developed countries, especially West Germany, are likely to oppose it, with the UK taking a "middle position" between that of the Commonwealth countries and the U.S.

● A related issue, scarcely less embarrassing, is the proposal for a selective capital increase for the World Bank. That would move Ja-

pan up from fifth to second largest shareholder after the U.S. Although that is generally agreed to be desirable, the U.S. is blocking the most multi-lateral steps to liberalise its capital markets.

● The subject of aid to the Third World is also hampered with difficulties. The seventh replenishment of the International Development Agency - the World Bank's soft loans arm - for the next three years has been cut from \$12bn to \$9bn at the insistence of the U.S., but formal agreement to this limited aid programme has yet to be reached.

● The only topic that promises some quiet satisfaction is the session on the world economy. The most recent IMF forecasts suggest continued recovery with little acceleration of inflation. However, the developed countries appear to be in no mood to relax their financial strictness, and strong criticism will again be levelled against the U.S. for failing to take more urgent action to curb its budget deficit.

● The U.S. Government is, after all, running nearly as much debt each year as the total external borrowings of all the Latin American countries put together. So last week's rise in U.S. interest rates with the consequent increase in the burden on debtor countries will give plenty of ammunition for the many critics of the present policy stance of the U.S. Perhaps that is something they would like to be published.

Chile seeks more flexible deal

BY MARY HELEN SPOONER IN SANTIAGO

SR LUIS ESCOBAR, Chile's new Finance Minister, leaves today for Washington, to meet International Monetary Fund officials in an effort to negotiate more flexible terms than those provided in a standby accord signed early in 1983.

Sr Escobar will be seeking the IMF's approval for additional government spending beyond the 4.6 per cent fiscal deficit for this year previously accorded by the IMF. This earlier budget plan was announced in February by Sr Escobar's predecessor Sr Carlos Caceres, who was removed from his post last week when Gen Augusto Pinochet abruptly moved to reshuffle his economic team.

The plan also included a 21 per

cent increase in public sector spending, with a 75 per cent increase in investments in state mining and energy projects, plus an increase in domestic credit by 450m pesos (\$2.8bn).

Chilean officials have not yet divulged what their new economic programme might involve, but Sr Escobar and Sr Modesto Collados, Economy Minister, have both indicated they plan to maintain the stated goals of former Finance Minister Caceres: to obtain a 4 to 5 per cent GNP increase this year, along with a \$1bn trade surplus, a reduction in unemployment to 12 per cent or less and an inflation rate of less than 20 per cent.

The latest economic indicators suggest that Chile may face more difficulty than expected in meeting some of these goals. The National Statistical Institute last week reported that unemployment rose to 15 per cent, not counting another 10 per cent of the Chilean workforce enrolled in government work projects paying less than the minimum wage.

Consumer price inflation, which had been running at about 20 per cent over the past 12 months, rose sharply in March by 2.5 per cent. The country's accumulated trade balance for the first two months of this year was \$117.5m, some \$23m less than the surplus for the same period last year.



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WORLD TRADE NEWS

EEC and Efta seek to lower technical barriers to trade

By Paul Cheswright

ALL THE main trading nations of Western Europe yesterday launched a bid to lower technical trade barriers between them and pledged new efforts to enhance economic cooperation so that the free circulation of industrial goods can improve.

UK, Italian groups sign European space deals

By James Garton in Rome and Michael Deane in London

THE European Space Agency has signed contracts with the British Aerospace Dynamics Group and the Italian state-owned Selenia Spazio for manufacture of the payload of the projected Olympus-1 communications satellite.

U.S. plea on mixed credits likely to fail

By David Marsh in Paris

THE U.S. looks likely to meet a cool response from European countries to its expected plea this week in Paris for tougher rules on export credits to Third World countries combining commercial financing and development aid.

subject of mixed credits tomorrow.

Current OECD rules lay down 20 per cent as the minimum component of development aid funds in a mixed credit package. For financings containing between 20 and 25 per cent of development aid, the exporting country has to notify the OECD 10 days in advance to enable other governments to make competitive offers.

The U.S. wants to raise the minimum threshold to 35 per cent and also to widen the obligation for prior notification. The U.S. claims that growing use of mixed credits are using up resources which should be destined for pure development purposes, and can lead to wasteful interest rate battles.

To back up its campaign, the U.S. Exim Bank itself has recently approved concessional financing using mixed credits for Cyprus and Indonesia in what is intended to be a warning shot against examples of "predatory" financing offers by France.

Mission to visit Singapore, Taiwan over music piracy

By Chris Sherwell, South-East Asia Correspondent

A HIGH-POWERED 17-strong U.S. delegation representing the U.S. Government and recording industry is to visit Taiwan and Singapore later this month to register its complaints directly over the heavy commercial losses caused by pirate recordings.

Singapore's industry is the world's biggest. The island state exports an estimated 50m-70m pre-recorded cassette tapes a year and another 15m for the domestic market. Taiwan produces principally for the home market.

Officially an inter-ministerial committee is looking at the existing 1911 copyright law and a subsequent 1968 statute, and is supposed to make recommendations. But it was established in 1980, and the patience of both the U.S. and European industry is wearing thin.

U.S. Congress. A congressional committee is in the process of examining the operation of the Generalised System of Preferences (GSP) in relation to Third World countries, and Singapore's standing under this trade preference scheme could come in for closer scrutiny if no assurances of action are forthcoming.

Brussels rows 'harm Hungary's trade pact talks'

By David Buchan, East Europe Correspondent

INTERNAL EEC wrangling over budget and agricultural issues makes trade accords with countries such as Hungary more difficult, Mr Peter Veress, Hungary's trade minister, said in London yesterday.

Lisbon looks for more liberal textile quotas

By Anthony Moreton, Textiles Correspondent

PORTUGAL is to seek more liberal quotas for its textile exports to the EEC in the run-up to its membership of the Community, now expected in 1986.

HK team seeks ventures

By David Dodwell

A GROUP of 11 Hong Kong industrialists yesterday began a four-way mission to the UK aimed at boosting inward investment, and in mounting joint ventures in Hong Kong.

Saudi oil marketing group triples sales of crude

By Richard Johns

NORPEC, the company set up by Saudi Arabia to give it greater flexibility in marketing its oil, tripled its sales to about 300,000 barrels a day last in March and early in April.

Extracts from the statement by Sir Jeremy Morse, Chairman, in the 1983 Report and Accounts of Lloyds Bank.

'The world economy is looking a little better, but it is by no means out of the wood yet'

1983 was a year of recovery for the main industrial nations and a year of progress for Lloyds Bank. The Group's profits picked up after the fall of the previous year; the pre-tax figure was £419 million, an increase of 27% over 1982, and the post-tax profits rose by 14%.

Interest margins have been reduced, making it even more necessary to contain operating costs. In this situation, the development of new technologies for handling retail business offers considerable prizes if they can be successfully and profitably introduced.

In addition to increased competition, we are seeing the breaking down of some of the barriers which used to separate different parts of the financial sector. In Britain this is affecting the securities and insurance industries as well as banking.

Profitability maintained

These challenges and problems will certainly not fade away. They will have to be resolved by banks both collectively and individually. Fortunately, I believe that we start from a relatively favourable position.

Our capital base remains strong: at the end of 1983 our capital resources were nearly £2.7 billion, representing 7 per cent of the Group's total assets of £38.4 billion.

Our profitability, which is the first line of defence in difficult times, has been well maintained, although it is certainly not excessive.

Sovereign debt

The world economy is looking a little better, but it is by no means out of the wood yet. The recovery which began in North America has spread slowly but surely to Japan and Europe, so far without reviving inflation.

But these trends must be maintained throughout 1984 and 1985 if the world is to complete its adjustment to a lower level of inflation and to realise the longer-term benefits which that could bring.

Fewer opportunities

Against this background, international banking has been finding fewer opportunities for syndicated cross-border lending and project finance in the developing countries, and will have to rely more on local currency operations, trade finance and investment banking.

At the same time domestic retail banking faces some formidable challenges. This affects us primarily in Britain, but also in the USA, New Zealand and parts of Latin America.

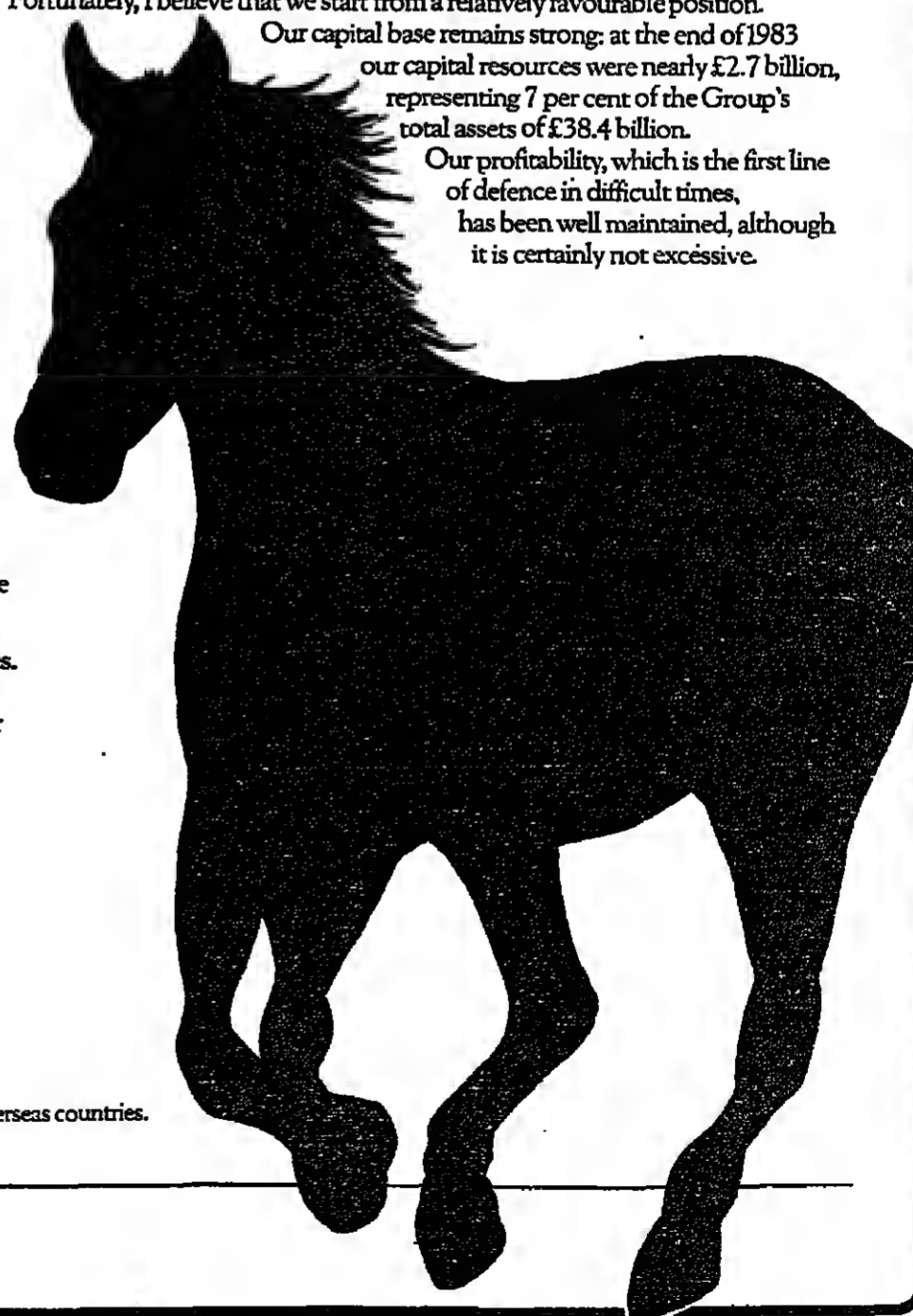


Lloyds Bank

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS

Lloyds Bank has 2,467 branches and offices in the United Kingdom and a further 519 in 47 overseas countries. It employs 53,000 people in the United Kingdom and 16,000 more abroad.

Copies of the Report and Accounts are obtainable on request from the Secretary, Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.



TECHNOLOGY

EDITED BY ALAN CAINE

Telecoms giant enters computer fray

AT & T'S ANNOUNCEMENT of its entry into the general purpose computer market raised many questions about the ability of the telecommunications giant to develop the marketing and support expertise needed to address the commercial marketplace. There is little doubt, however, that AT & T is several strides ahead of most of its new competitors in computer technology.

AT & T's semiconductor technology, developed at Bell Laboratories, has previously been admired by technologists, but less so by commercial chip makers. With the launch of its computer products, however, AT & T has demonstrated the market value of its chip designs.

AT & T has put its CMOS 32-bit microprocessor chip set, developed at Bell Laboratories, to use in each of its new computer products.

The "Western Electric 32000" (previously known as the Bell Mac) is purposely designed to optimise the performance of AT & T's Unix operating system. For example, the microprocessor performs switching functions between the various users of a Unix system, saving software steps and time. The 32000 is supported by

AT & T's memory management chip, a sort of silicon librarian that gets data out of storage faster and more efficiently than the microprocessor can by itself.

AT & T's 256K dynamic ram chips, among the most advanced semiconductor memory chips being manufactured today, were also developed at Bell Laboratories.

It is, however, AT & T's Unix operating system that gives the company's products a real performance advantage. Unix is a multi-user, multi-tasking operating system. In plain language that means that it is a program that co-ordinates the functions of a computer system, and does so in systems for several users who want to do several things—all at the same time.

In various forms, Unix has been around for over a decade. It was originally designed in 1969 to run on minicomputers, but its beauty, and value, is that it is transportable to a wide variety of computer systems.

As AT & T's puts it: "The Unix operating system is a unifying factor in the computer industry. Before it arrived on the scene, the microcomputer, minicomputer and mainframe

markets were relatively separate. With the advent of a truly transportable operating system, these segments are now able to share software and services."



AT & T licensed dozens of computer companies to use Unix and the company has been promoting the operating system as an industry standard for over a year. According to AT & T, about 70,000 computers representing 70 or so different types now run Unix operating systems or their derivations.

Even IBM has recently introduced a version of Unix for its personal computers.

In the multi-user micro-computer segment of the industry, Unix is already regarded as the standard. Ironically, it is the producers of Unix based microcomputers who are expected to be hardest hit by competition from AT & T. "Companies with poor products and support will suffer from the increased competition," comments Jean Yates, a long time watcher of the Unix computer market. There are several micro-computer companies that fall within this category, she admits. "But companies with good products should fare well, particularly if they find vertical niches," she believes. By creating an industry standard, Unix is expected to expand the multi-user microcomputer market.

AT & T's product introductions also push forward the formation of a standard for local area networking of computers. 3B net is based on "Ethernet" a scheme designed by Xerox that is also supported by several other computer makers. AT & T's announcement of an "Ethernet-type" system gives the standard a boost that could awaken a huge market. More than any of AT & T's other computer products, the LAN is seen as directly competitive with IBM. Although IBM has yet to announce its local area network product, the computer giant has kept potential users waiting for about two years. Many could decide not to defer their installations any longer. "Watch out IBM," says Ms Yates.

AT & T will put the 3B net through its paces by building "the biggest local area network in the world" for use during the Los Angeles Olympic Games. The network will serve 60 sites within a 4,500 square mile area with 14 3B20 computers, 1,700 AT & T teletype terminals and hundreds of printers.

Plessey and Oceonics join forces Joint deal in teleconferencing

PLESSEY OFFICE Systems has agreed with Oceonics Communications to market a complete turnkey television conferencing system in the UK and other parts of the world. Technology developed by Compression Laboratories Inc in California will be used.

Both British companies have CLI licences and Plessey's digital communication background is expected to complement Oceonics' abilities in video-audio equipment and studio design.

Plessey's installed base of the new IDK digital telephone/data exchange, which the company says now totals 450, will form the basis for sales of the new videoconferencing system. Oceonics, for its part, has many existing customers in the oil and civil engineering industries.

The system is of particular interest to larger companies installing British Telecom Megastream links operating at 2Mbit/s (millions of bits per second). The end-to-end dedicated link, say between divisions of a company, could be used for a reduced bandwidth TV picture together with voice and data. Switched Megastream links are not yet available.

The announcement comes only a day or two after AT & T and BT unveiled a transatlantic service to link London

with New York and 13 other U.S. cities at a cost in the U.S. of about \$1,300 per half hour.

The main competition for Plessey/Oceonics is GEC, which is now proceeding on its own after terminating the tie-up with General Instruments' Herold subsidiary.

The increased interest in teleconferencing stems from recently researched techniques for compressing the bandwidth needed to send colour TV pictures, thereby reducing the cost. Today, compression codecs (coding and decoding circuits, usually in "chip" form) allow virtually unpaired pictures to be sent at digital transmission rates of about 2 Mbs. Normally, a colour TV picture requires in excess of 150 Mbs.

With some loss of clarity and a little smearing of motion in the picture, bit rates of only 0.5 Mbs/s can be used.

The Plessey/Oceonics system will allow the user to choose rates between 0.5Mbs/s and 2Mbs/s to suit the application. If the lower rates are used to send stills or minimum motion live TV, the remainder of the bandwidth can be used for other services such as data or speech.

Plessey is in Beeston, Nottingham, on 0602 254822 and Oceonics is at Aiton, Hants, on 0420 86666.

GEORFFREY CHARLES

Computers Expanding range

COMMODORE International plans to expand its range of personal computer products with new machines for the office and home markets, the company announced in Hannover, West Germany last week.

The company displayed "pre-production" models of three new products. The first, a home computer that is expected to sell for around \$100, will be delivered to retailers during the second half of this year, Commodore said.

The model 16 will have just 16k of internal memory, less than almost any other personal computer. It will, however, be program compatible with Commodore's more expensive Model 64.

For the office market, Commodore unveiled two new models. One is a transportable unit which will be compatible with the IBM personal computer. It will be made under licence from Byte-Commerz. This company sells the Hyperion IBM compatible portable computer. The Commodore version will compete with computers offered by companies such as Compaq and Kaypro as well as with IBM's own new portable personal computer.

Commodore is, however, expected to apply its traditionally aggressive tactics to gain a share in the crowded market sector.

The other machine, to be based on a 16 bit microprocessor designed by Zilog, will be a desktop unit that will run a version of Unix, the AT & T operating system.

Commodore did not reveal prices or delivery dates for the new computers, but said that they will be introduced in Europe first, where Commodore has a stronger position in the office computer market than in the U.S.

Also announced were additions for Commodore home computers including a "light pen" that can be used to draw on a computer screen.

Olivetti aims to increase its market share

ONLY A few days after Olivetti finalised a joint marketing agreement with the U.S. AT & T corporation, it has announced two ranges of microcomputer to attack IBM's hold on the personal computer market.

This year Italy-based Olivetti has about 8 per cent of the European market. M. Panattoni, head of the personal computer products group said that the aim is to capture 20 per cent in 1985.

The new personal computers have been designated the M24 and M21, a portable version. They are 16-bit computers as was the M20—Olivetti's first pc entry in 1982. The new machines have been designed to run on the industry standard operating systems such as MS-DOS, UCSD-P, Olivetti's own operating system P-COS and concurrent CP/M.

This means that the extensive library of existing software for these operation systems can be used with Olivetti's computers. Software agreements have already been reached with

Peachtree Software and Micropro. However, high quality graphics and a fast processing speed, Olivetti says, sets its computer apart from the herd.

Both computers can be stand-alone or connected as a work station into a network for office integration. The M24 is based on the 8087 microprocessor and in its basic configuration comes with 128 kbytes of random access memory which can be increased to 640 kbytes. Floppy discs or hard discs can be chosen. The M21 is a 30 lb, transportable computer.

Also a range of peripherals such as printers have been designed for the M range and the computers can be connected to the company's electronic typewriters.

The computers will be available in May for the M24 and September for the M21. Production is now being geared up at its factory.

M. L. Mercurio, Olivetti director of distributed data processing and office automation divi-

sion, said that the company had spent US\$30m on an automated factory in Italy with the aim of "producing a pc every 15 seconds."

In addition Olivetti is spending \$25m on world-wide promotion to create public awareness of its product range.

Increasing personal computer customers are looking for the security of a big name said M. Panattoni. His colleague, M. V. Cassoni, Olivetti's group marketing director, pointed out that there are more than 150 manufacturers of personal computers in the \$2,000 to \$8,000

range. With original equipment manufacturers deals this provided about 700 different models.

Mr Cassoni forecast that only 10 major suppliers would survive to serve the market. Already about a dozen makers supply 90 per cent of the world market M Cassoni commented. Lots of money was needed to keep in the game for product development and marketing, M. Cassoni said.

The M21 and M24 were developed solely by the company. It has a research and development company in Cupertino, California in the heart of Silicon Valley where it can keep track of computer developments.

With the agreement with AT & T, which now owns 25 per cent of the company, the third technology leg to support its entry into office automation is in place—telecommunications. It has expertise in office equipment and computers the other two important technology strands.

AT & T will market Olivetti's products in the U.S. while Olivetti will have access to the American corporation's strong research and development teams while also selling AT & T's equipment in Europe.

Olivetti has shown impressive growth in recent years. 1983 was its best year so far with earnings reaching L1,893.9m and profits up by more than L40m. It is spending increasing amounts on research and development having risen from L47.1m in 1978 to L181m last year.

The company has also decided to invest in small high technology companies involved in office automation—a strategy now used by several other large groups. It has funded about 25 companies to date including Docutel which specialises in bank automation; Corona, a home computer maker; Sphinx which develops software and Tabor, a floppy disc equipment manufacturer.

LOUISE KEHOE

Burroughs sets up centres Aiming at small firms

BURROUGHS, in its aim to woo small businesses, is setting up six computer businesses in the UK. With an initial investment of £1.2m the first centre will open in Bristol on May 10.

The U.S. computer company hopes to sell microcomputers and minis to small businesses. Mr David O'Brien, sales and marketing manager of Burroughs said that the centres, which are based in the metropolitan area, will reach 50 per cent of small businesses in the UK.

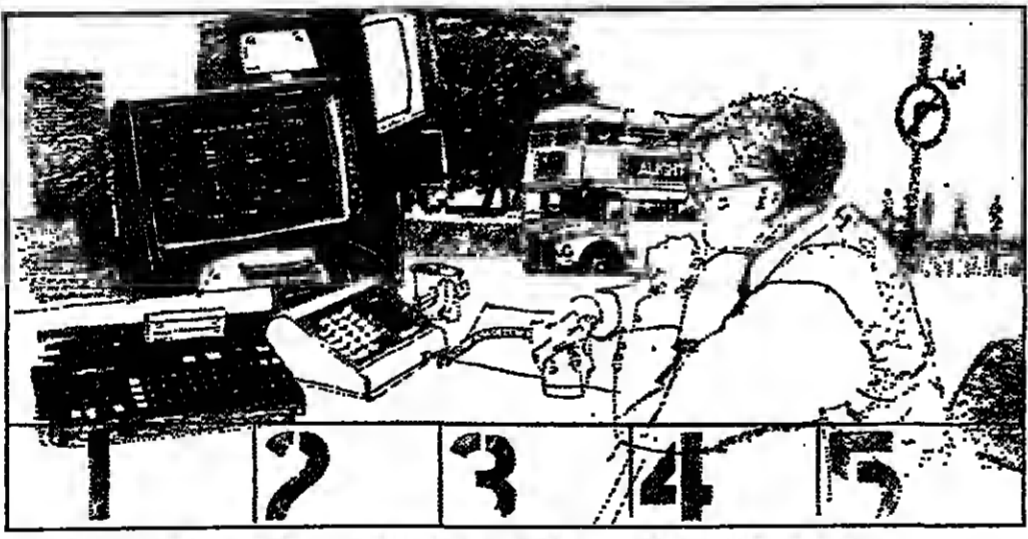
It is estimated that there are 115,000 small companies in the UK with a turnover of less than £5m and fewer than 200 employees.

Mr Graham Margetson, gen-

eral manager of the new business centres, said that the company had decided not only to sell microcomputers but also to include the top end of the mini market. In the U.S. Burroughs followed the trend a few years ago by opening microcomputer centres. Mr O'Brien admitted that these had not been very successful. Starting prices for machines will start at about £5,000.

Burroughs will also concentrate on particular application areas—manufacturing, distribution and construction. Full software is available in these fields and the company had entered into agreements with software manufacturers in the provision of new programs.

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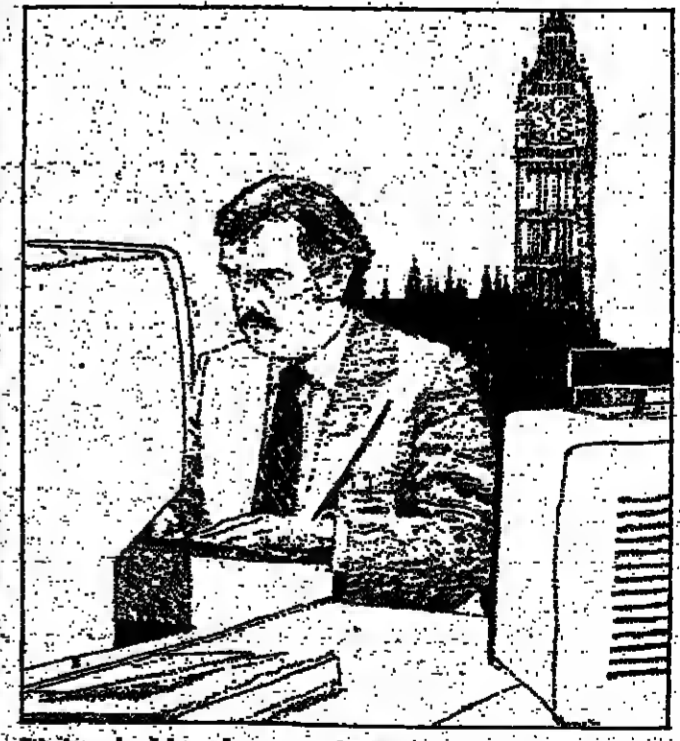
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UK NEWS

Tax search for 'undisclosed' Lloyd's funds

BY JOHN MOORE, CITY CORRESPONDENT

The Inland Revenue is seeking to discover how much money was lodged offshore in the form of premiums on reinsurance contracts by Lloyd's insurance syndicates (the units into which all Lloyd's members are grouped) and which was largely due to be returned to the syndicate at a later date in another tax year. The arrangement is known at Lloyd's as a "rollover policy."

Mr Miller said in his letter: "The Lloyd's attitude is quite straightforward. We have conveyed underwriters firm belief in the commercial legitimacy of such policies and the bona fide reasons which led them to be effected. We do not believe that allegations of wilful default or neglect on the part of underwriting agents could be sustained."

Nearly 200 underwriting agents are expected to have received the letter from the Revenue, which is designed to track down where reinsurance arrangements have been used to mitigate tax liabilities. Lloyd's is seeking to clarify the accounting and taxation issues on reinsurance contracts and argues that the commercial legitimacy should not be in doubt.

Cabinet to settle choice of missile

By Peter Riddell, Political Editor

A CABINET committee is today expected to decide on whether to award the £200m contract for supplying sea-skimming missiles for the Royal Navy to the U.S. McDonnell Douglas company or to British Aerospace. An announcement is possible today or tomorrow.

Mr Michael Heseltine, the Defence Secretary, is understood to be a strong backer of the U.S. Harpoon weapon rather than British Aerospace's Sea Eagle. The Treasury is understood to be supporting his views.

However, Mr Norman Tebbit, the Trade and Industry Secretary, and his department have been arguing in favour of British Aerospace on the grounds that the technology needs to be retained in Britain.

While the division on the committee appear to be roughly even, many MPs from constituencies with British Aerospace factories expect the choice to favour the U.S. weapon.

The Royal Navy has favoured Harpoon and the affair has raised broader questions of how to achieve better value for money in the award of contracts.

Morgan Grenfell in link-up with stockjobbing firm

BY RAY MAUGHAN

MORGAN GRENFELL, one of the leading merchant banks in the City of London, has forged the latest, and one of the largest, new alliances in the securities industry by taking a 29.9 per cent holding in Pinchin Denny, the stockjobbing firm. No price has been disclosed.

The bank plans to take full control of Pinchin, which claims to be the third ranking jobbing firm in the London market, as soon as stock exchange rules permit. The exchange is expected to outline its proposals for the structure of the market in a consultative paper to be published later this week.

Meanwhile, Morgan is to double Pinchin's capital base first through the injection of equity to take its share stake up to the current limit of 29.9 per cent and thereafter by the issue of a subordinated, non-interest bearing loan.

Both parties to the new alliance have been discussing links with several other interests, but each agreed that the other had always been the preferred choice. Morgan Grenfell was reported to have approached Wedd Durlacher, another jobbing firm, earlier this year and although talks were tentatively started, the chairman of the bank, Mr Bill Mackworth-Young, insisted that "Pinchin was my first choice."

Pinchin Denny trades in most sections of the equity market, specialising in the electrical, chemical, investment trusts and financial sectors.

Morgan already runs a substantial trading operation in fixed interest instruments through its Euro-bond and treasury divisions.

Lord Catto, chairman of the banking group, pointed the way forward last month when he said: "As the securities markets and our competitors change around us, we are likely to become more widely involved in secondary markets, while continuing to enhance our position as a leading international issuing house."

As he unveiled a 25 per cent rise in 1983 disclosed earnings, after all charges, to £16.48m and shareholders' funds of £115.53m, the chairman set as a first priority the expansion of the bank's dealing capability into the gilt-edged and industrial fixed interest securities markets.

On first inspection, Pinchin Denny lacks the gilt-edged exposure of Wedd, but Mr Mackworth-Young said yesterday: "One of the great attractions of Pinchin Denny is its expansion in the fixed interest market."

Lex, Page 20

Producers' prices rise by 1% in a month

By Philip Stephens

INFLATIONARY pressures on Britain's economy showed signs of strengthening last month as manufacturers reported a further rise in their prices.

The Department of Trade and Industry said yesterday that its producer price index increased by 1 per cent between February and March to 130.2 (1980=100) to show an annual rise of 8.4 per cent, the highest for 18 months.

About a third of the increase reflected the one-off effect of duty changes introduced in the budget last month, but even if these are discounted the underlying trend was upwards for the third consecutive month.

The figures raised new doubts in the City of London over whether the Government will succeed in reducing retail price inflation to 4% per cent by the end of this year.

Many analysts believe there is little further scope for retailers to absorb producer price rises by trimming their margins.

Hopes of lower inflation have also been clouded by the pace of earnings. Workers have been increasing their average earnings by about 7% per cent a year and in manufacturing by 8% per cent.

Foreign companies step up pace of investments in UK

BY JOHN LLOYD, INDUSTRIAL EDITOR

INWARD INVESTMENT in the UK is now on a rising trend. The number of investments, most of them from the US, rose by 53 per cent in 1983 over the previous year to a total of 218 - the highest recorded.

The trend is continuing in the first quarter of this year, which is well up on the same period in 1983. Two major new investments - both by US electronics companies - will be announced shortly.

The proportion of Japanese investments continues to rise, from an average of 5 per cent of total inward investments in the late 1970s to about 5 per cent now. In 1983, Japanese companies invested some £70m and created 900 jobs.

U.S. remains the dominant investor, however, continuing to account for between 60 and 65 per cent of all investments. Deals made in 1983 included those by IBM, Digital and Motorola to begin personal computer manufacture for Europe in the UK, by Hewlett-Packard and Digital to establish major research and development centres and by Motorola and National Semiconductor to expand semiconductor manufacture.

Investments made in 1983 by U.S. corporations totalled 127, creating 10,828 jobs and safeguarding a further 10,181. West Germany made 23 investments creating 853 jobs and safeguarding 1,063, while Japan made 19 investments creating 938 jobs and safeguarding 2,906.

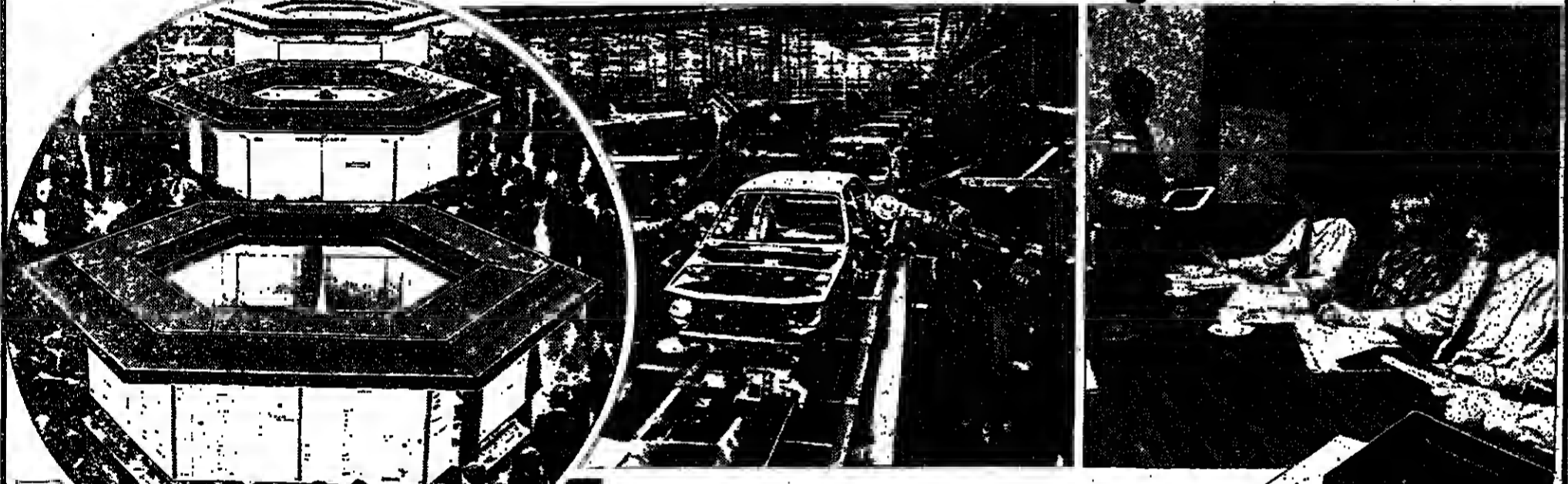
The Invest in Britain Bureau (IBB), which co-ordinates inward investment in the UK, is now planning to increase its market coverage, particularly in Japan. Consultants are presently drawing up a report for the IBB on trends in Japanese investment.

Mr Norman Lamont, the Industry Minister, said yesterday that last month's budget had ensured that corporation tax was the lowest in the EEC - excluding Ireland, Jersey and Guernsey - and "one of the lowest in the world."

He said that the phasing out of first year allowances on capital expenditures had made little difference to investors' intentions - though it is recognised that the two-year phasing-out period created a "window" through which a number of foreign companies wishing to invest in Europe would wish to squeeze.

Invest in Britain Bureau, annual report, Department of Trade and Industry, Kingsgate House, 66-74 Victoria Street, London SW1E 6 5S

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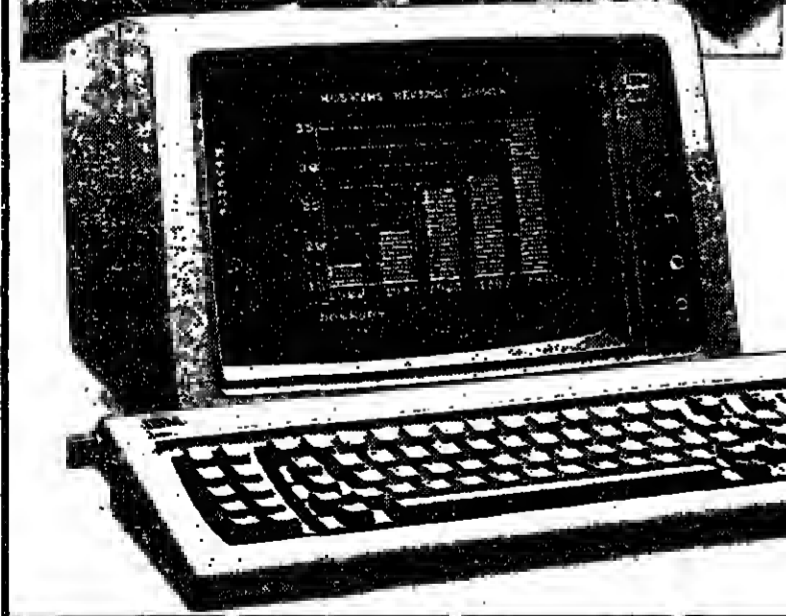
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MPs to hold debate on miners' dispute

BY OUR POLITICAL AND LABOUR STAFF

THREE senior officials of the National Union of Mineworkers (NUM), including one member of the union's executive, were arrested yesterday on the eve of a House of Commons debate on the role of the police in the mining dispute.

Mr Jim Colgan, the executive member for the Midlands area, was arrested during clashes with police during picketing at a colliery. He claimed he was assaulted by the police. Also arrested, at a different colliery, were Mr Austin Fairhurst, president of North Derbyshire NUM, and Mr Peter Elliott, the area's vice-president.

The Commons will hold an emergency debate today on "the implications for civil liberties and the rule of law in policing operations" during the dispute. Mr Allen McKay, the Labour MP who applied for the debate insisted that Conservative jeers that the intention was "not to attack the police." He said it was in the interests of pickets, police and the public that the issues should be aired quickly.

Mr Bernard Weatherill, the Speaker (chairman), said he was satisfied that it was a proper subject for an emergency debate.

There were protests from Conservative and Liberal/Social Democrat Alliance MPs, who fear that the restricted subject for the debate will cause comments on the wider aspects of the dispute to be ruled out of order.

Labour politicians have protested at the conduct of the police during the dispute, now in its fifth week. Miners have been turned back by police on their way to picket coalfields and, on the picket lines, hundreds have been arrested. Another 80 miners were arrested yesterday at a Nottinghamshire colliery when fighting broke out and six policemen were injured.

In North Wales, the chief constable admitted that plainclothes policemen had been used at one pit. Miners have alleged that policemen disguised as miners have acted as agents provocateurs.

Mr Neil Kinnock, the Labour Party leader, would not yesterday state his view on demands that the National Union of Mineworkers (NUM) at its executive meeting on Thursday should call a national ball over its strikes against pit closures.

"The NUM is the appropriate and proper body to consider these calls," he said. "No one else is in a constitutional position to do it."

Plessey Data wins £22m order

BY RAYMOND SNOODY

PLESSEY DATA Communications has won an order worth more than £22m from British Telecom (BT) for packet switching telecommunications equipment.

BT has ordered up to 140 packet switching processors for its specialist data communications network Packet SwitchStream. The order will be worth more than £15m in the first year and is expected to total at least £22m. Further options could take the final value of the order to £30m. Plessey believes it is the largest single order for civilian packet switching equipment.

The Government confirmed yesterday that it was taking steps to simplify arrangements for approving the competitive supply of subscriber telecommunications apparatus. Arrangements have been widely criticised by equipment suppliers as too rigid.

BA may place £15m galley order abroad

By Michael Donno, Aerospace Correspondent

A £15m ORDER by British Airways (BA) for new galley units for its fleet of 28 Boeing 747 jets may have to be placed overseas.

The new galley equipment is needed from early next year to replace the existing ageing units in the 747 fleet. Changes in operations, with many more long-haul non-stop routes and new classes of service, such as Business Class, with different meal requirements, have also imposed strains on the existing galleys.

Each 747 jet has 14 galley units, so that for the entire fleet nearly 400 galley units will be needed.

BA says that it has discussed the potential order with a number of UK galley equipment suppliers, but none appears to be able to guarantee that the work will be completed within the tight BA timescale, nor in some cases to meet the BA specifications.

The airline is now looking overseas. Companies in Japan and West Germany have already made attractive and competitive tenders.

Mr Howard Phelps, BA's operations director, says that BA "believes in buying British whenever it can, and many British companies have provided the interior equipment for our aircraft in the past."

"We would like UK companies to meet this galley requirement also, but so far we have made little progress in fulfilling our needs at home."

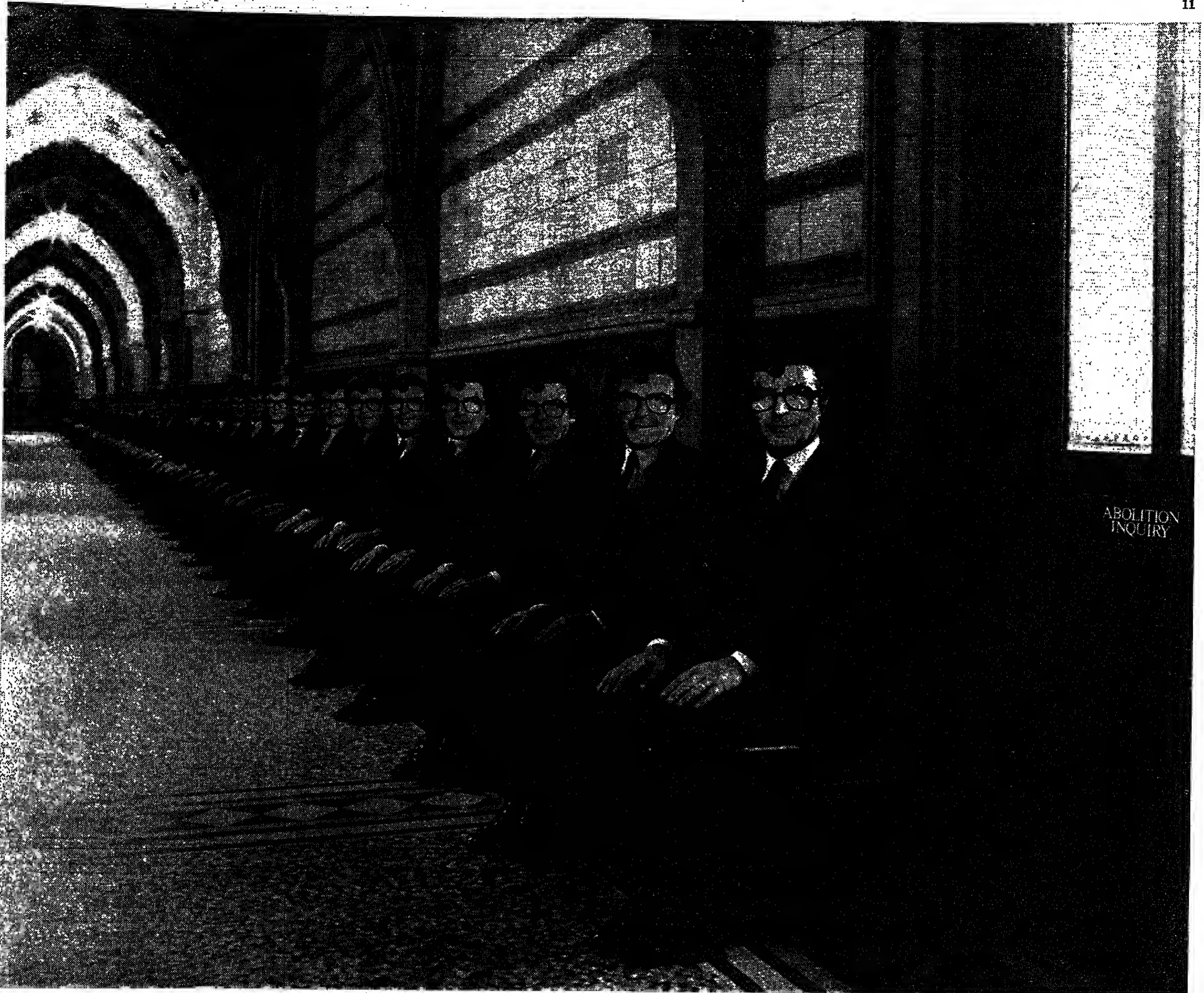
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AT ANY ABOLITION INQUIRY, WHO WOULD BE MISGUIDED ENOUGH TO SIDE WITH PATRICK JENKIN?

In his efforts to abolish the metropolitan county councils, the Environment Secretary is keeping himself very much to himself.

Of course, he has spoken at some length on the issue. In The Commons, on TV, radio and in the press.

But he hasn't actually said very much of value. And even less to justify his White Paper proposals.

Which has led many people to believe they aren't worth the white paper they're printed on.

PUTTING THE RECORD STRAIGHT

Mr Jenkin still persists in the claim that his plans will streamline local government and improve efficiency.

Yet there's overwhelming evidence, from independent sources, that his planned abolition of the metropolitan county councils would be a costly and senseless move.

Creating more complex and less accountable local government. (Rather like the time he 'streamlined' the Health Service by increasing the number of bureaucrats in it.)

The Environment Secretary has also speculated that abolition will save up to £120 million a year. But Coopers & Lybrand Associates, a team of top management and financial analysts, say otherwise. Concluding that the re-

"At a time when many European countries are moving towards a greater degree of local responsibility, local government in this country is moving towards increasing direct control by ministers."
(ROYAL TOWN PLANNING INSTITUTE, JANUARY 1984)

"The most sensible course of action would have been to hold an impartial inquiry."
(SOCIETY OF LOCAL AUTHORITY CHIEF EXECUTIVES, JANUARY 1984)

"A major constitutional change is being proposed without clear rationale and without any assessment of the present system, appraisal of alternative ones or estimate of the costs."
(ROYAL INSTITUTE OF BRITISH ARCHITECTS, JANUARY 1984)

"The Association... pleads with the Secretary of State to withdraw the proposals in the White Paper and to make no further proposals for major change in the local government structure of the metropolitan areas or elsewhere without a full-scale and independent commission of inquiry having been set up and reported on the matter."
(TOWN AND COUNTRY PLANNING ASSOCIATION, JANUARY 1984)

"The Group are concerned at the apparent haste with which the proposals have been formulated and are being pressed forward. They see grave dangers in allowing the supreme power of Parliament to be used to make important constitutional changes with such haste and with such disregard for conventional constitutional safeguards."
(LAW SOCIETY LOCAL GOVERNMENT GROUP, JANUARY 1984)

organisation could cost hard pressed ratepayers another £61 million every year.

Mr Jenkin believes that the Government still has a mandate to summarily dismiss a major, democratically elected tier of local government. (Which is rather surprising, since many more people voted against the Government's abolition manifesto, than for it.)

What's more, he knows better than anyone the depth and breadth of critical response to his plans. From industry and commerce, professional and academic institutions, the Church, voluntary organisations and individuals.

And now this week, Mr Jenkin has the arrogance to push through an abolition Paving Bill, designed to scrap next year's metropolitan county council elections.

Even though some of the Bill's harshest critics are senior ministers and elder statesmen of Mr Jenkin's own party who fear that such a premature measure is constitutionally suspect. And even though he is being assailed from all sides by demands for a full and independent inquiry into the fundamental issue of abolition itself.

THE GAME IS UP

The truth is that the Government's real reason for abolishing the metropolitan county councils is born out of political expediency.

At a stroke, it can rid itself of a powerful and vocal group of elected representatives, whose policies the Government just doesn't like. Achieving a massive centralisation of power at the expense of local government's accountability for countywide services.

Yet, Mr Jenkin may still come unstuck.

Because as a responsible minister he surely cannot continue to ignore the unparalleled level of disquiet being voiced.

The metropolitan county councils have long been ready and willing to participate in any full and independent review of local government structure and finance.

Indeed, they've never claimed the present system is perfect, or that it should be above change.

But they have always sought to provide the greatest possible benefits to the 11 million people they serve.

Including the benefit of an inquiry, which so many are demanding.

"It has become urgent for the Secretary of State to provide a detailed breakdown of the savings expected and clear guidance... on where and how economies should be obtained. Only if such evidence and guidance is forthcoming, can the continued support of the business community for abolition, be counted upon."
(THE ASSOCIATION OF BRITISH CHAMBERS OF COMMERCE, APRIL 1984)

"The better approach... would be to institute an inquiry into the role of all authorities in these areas, and, depending on the results of the inquiry, to redefine the respective roles as thought necessary."
(HAMPSHIRE COUNTY COUNCIL, JANUARY 1984)

ISSUED BY THE METROPOLITAN COUNTY COUNCILS OF GREATER MANCHESTER, MERSEYSIDE, SOUTH YORKSHIRE, TYNE AND WEAR, WEST MIDLANDS AND WEST YORKSHIRE. FOR FURTHER INFORMATION, WRITE TO THE CHIEF EXECUTIVE, GMC, COUNTY HALL, MANCHESTER M60 3HR

APPOINTMENTS

Finance Houses Association chief

Mr Ian Miller, a general manager of United Dominions Trust, has been appointed chairman of the FINANCE HOUSES ASSOCIATION. He succeeds Mr Stuart Errington, managing director of Mercantile Credit, who has completed his two-year term of office. Mr Ray Hazlehurst, chief executive of North West Securities, has become vice chairman of the Association.

Mr John Stanley Bramwell is to be appointed to the new position of group manufacturing director for IDEAL-STANDARD. He has been manufacturing director at Middlewich for nearly eight years. The position will be created on the retirement of Mr Gordon Martin, manufacturing director at Hull.

Mr R. McLaren has been appointed to the board of COURAGE. He is currently managing director of Saccone and Speed. Mr R. Wright, finance director, Imperial Brewing and Leisure (the holding company) joins the board of Courage. Mr A. Moore becomes personnel director in succession to Mr J. S. Smaile who remains on the Courage board as a representative of Imperial Brewing and Leisure.

Mr G. R. Turner has been appointed to the regional board of LLOYDS BANK. He recently retired as joint general manager (Midlands and South Wales).

Mr Bryan Westrop has been appointed to the board of LOMBARD NORTH CENTRAL, finance house subsidiary of National Westminster Bank. He will continue as director and general manager of Lombard Tricity Finance.

Mr David Pickering has been appointed to the board of the BRITISH MAGAZINE AND CATALOGUE PRINTING CORP as personnel director. He has also been appointed a director of Waterlow and Sons (East Kilbride) and remains personnel director of Petty and Sons in Leeds.

KANSALLIS-OSAKE-PANKKI has named the management team for its new London branch which opens on April 9. The team is headed by Mr Ilkka Lankkonen as general manager. Mr Peter Fagermis is appointed deputy general manager responsible for credits and marketing, and Mr Michael J. Phillips is named senior manager, foreign-exchange and money markets. Operations manager is Mr David Hyton.

SCOTTISH MIDLAND CO-OPERATIVE SOCIETY has appointed Mr George McMillan as chief executive designate to take over from Mr J. H. Currie,

on his retirement in February, 1983. Mr McMillan joined the former St. Cuthbert's Co-operative Association in 1943. He became deputy general manager and accountant in 1975. With the formation of SCOTMID in January 1981, he became deputy chief executive.

RICHARD LONGSTAFF (HOLDINGS) has accepted the resignation of Mr D. L. Fryse Lloyd from April 23, on his joining Laurence Phillips (Agencies). Mr R. M. Smith has been appointed to the board of Richards, Longstaff, and Mr M. L. Cox becomes an associate director of Richards, Longstaff and a director of Kyle Financial Services.

EXCESS INSURANCE Group has made the following board appointments: Mr Jeff Stoccombe, Mr Brian Gilbert and Mr James Westervelt (U.S.), joint group board. Mr D. Znamieński (U.S.), has retired and rejoins the U.S. holding company. Mr Peter Mills is appointed a director of Excess General Insurance Company. Mr Peter Thompson and Mr Mike Galbraith become directors of London and Edinburgh General Insurance Company. Mr Ray Hilsborough joins the board of Excess Underwriting Management.

Mr David Harris has been appointed company secretary and group legal adviser to the BRITISH PRINTING AND COMMUNICATION CORPORATION. He was executive director of Interlaw. Mr Harris succeeds Mr Tony Harman, who has retired early as company secretary due to ill health.

Mr W. Jones, financial director of McKechnie Chemicals, has been appointed to the board of McKechnie Developments. He will retain his responsibilities at McKechnie Chemicals, McKechnie Metal Powders and Le Cornubia S.A. Mr J. Topping has joined the board of McKechnie Chemicals. He was works manager. Mr A. Rawlins has been appointed to the board of Frederick W. Evans. He was financial accountant. The companies are all subsidiaries of McKECHNIE BROTHERS.

PRUDENTIAL CORPORATION has appointed Lord Richardson of Dunfermline as a director from April 12. He was Governor of the Bank of England.

Mr Vyoma Nair has been appointed assistant general manager of TRIDENT GENERAL INSURANCE Co and joins the board. Other appointments include: Mr Alan Howell as underwriting manager. Mr Peter Johnson as administration manager and Mr

Dennis McDonald as marketing and development manager. The company is part of the General Re Group, U.S.

BARROW HEPBURN GROUP has appointed Mr F. H. Passey, managing director of its subsidiary Perrite, to the parent board. Mr D. C. Woodcraft, a main board director, has been appointed divisional director, engineering.

Mr Hitoshi Yamamoto has joined CHASE MANHATTAN as associate director in charge of yen denominated securities sales and trading. He joins the Chase Manhattan capital markets group's London subsidiary from Merrill Lynch. Mr Antony Simcoe, previously with Kidder Peabody Securities, has also joined CML as a manager for Eurobond trading.

The NATIONAL COUNCIL OF BUILDING MATERIAL PRODUCERS has re-appointed Mr Alan G. Turner, chief executive of BPE Industries, as president for 1984-85.

Mr Roy Winkle has been appointed managing director of HAYTERS. He comes from STC. Mr John Bishop has joined the board as non-executive technical director. He is managing director of Flanecut Metal Products and Lasercut Products.

Mr D. R. Poole has been appointed managing director and Mr D. V. Udall as financial director of ESTATES PROPERTY INVESTMENT COMPANY. Both are on the board.

Mr F. J. Fergusson has been appointed a director of JAMES CAPEL AND CO, stockbrokers.

Mr Arthur H. Brown retires as senior partner of SIR FREDERICK SNOW AND PARTNERS and chairman of Sir Frederick Snow (International) on April 30. He remains a consultant. He is succeeded by Mr Robert A. Hartland.

The OLEAF GROUP has appointed Mr John Macrae as a director of the engineering division. He also joins the newly constituted group management board. He was engineering design manager.

ROYAL WORCESTER SPODE has appointed Mr Peter J. Coleman as managing director of the retail division. He was marketing director of Spode.

Mr Alan Crowe has been appointed to the board of EAGLE STAR TRUST COMPANY. He is a director and secretary of MEPC.

Ms Jane Kelly has been appointed company secretary of

AMI HOSPITALS. She is a vice-president of American Medical International Inc and is a director of a number of AMI subsidiary companies in England.

NORSK HYDRO FERTILISERS has appointed Mr Geoffrey Richards as director of sales.

Mr Edmund Dell, chairman of Channel Four TV, is to be chairman of the PUBLIC FINANCE FOUNDATION, a new organisation established by the Chartered Institute of Public Finance and Accountancy to undertake research into the problems facing the public sector.

Mr Philip Walker, chairman of CHAPMAN INDUSTRIES has retired, and is succeeded by Mr Peter Davies, deputy chairman.

Mr John B. Richards is joining LESLIE & GODWIN (AGENCIES) as managing director in view of Lord Grantley's retirement in 1983. Leslie & Godwin (Agencies) underwrite for the Yasuda (UK) and the Travelers (UK) and Lord Grantley will remain on the boards of these three companies in addition to remaining a consultant to the Leslie & Godwin Group. Mr Christopher J. N. Robinson has been appointed director of LESLIE & GODWIN DEVELOPMENT CO.

Mr Christopher Norland, managing director of Industrial Finance and Investment Corporation, has joined the board of the GALT ARMSTRONG KEMBLE GROUP.

Mr M. Y. Doiding has joined JAMES CAPEL AND CO, stockbrokers.

Mr Clive Burton and Mr Michael Wallis have been appointed to the board of LAMBERT BROTHERS SHIPPING.

New chief for British Saab

Mr Christer Skogsborg has been appointed managing director of SAAB GREAT BRITAIN following the recent death of Mr John Smerdon, chief executive since June 1977. An economist, Mr Skogsborg was appointed to Saab Great Britain's board in November 1982. He transferred to the UK from Sweden in February 1983 where he was director of Saab's overseas subsidiaries.



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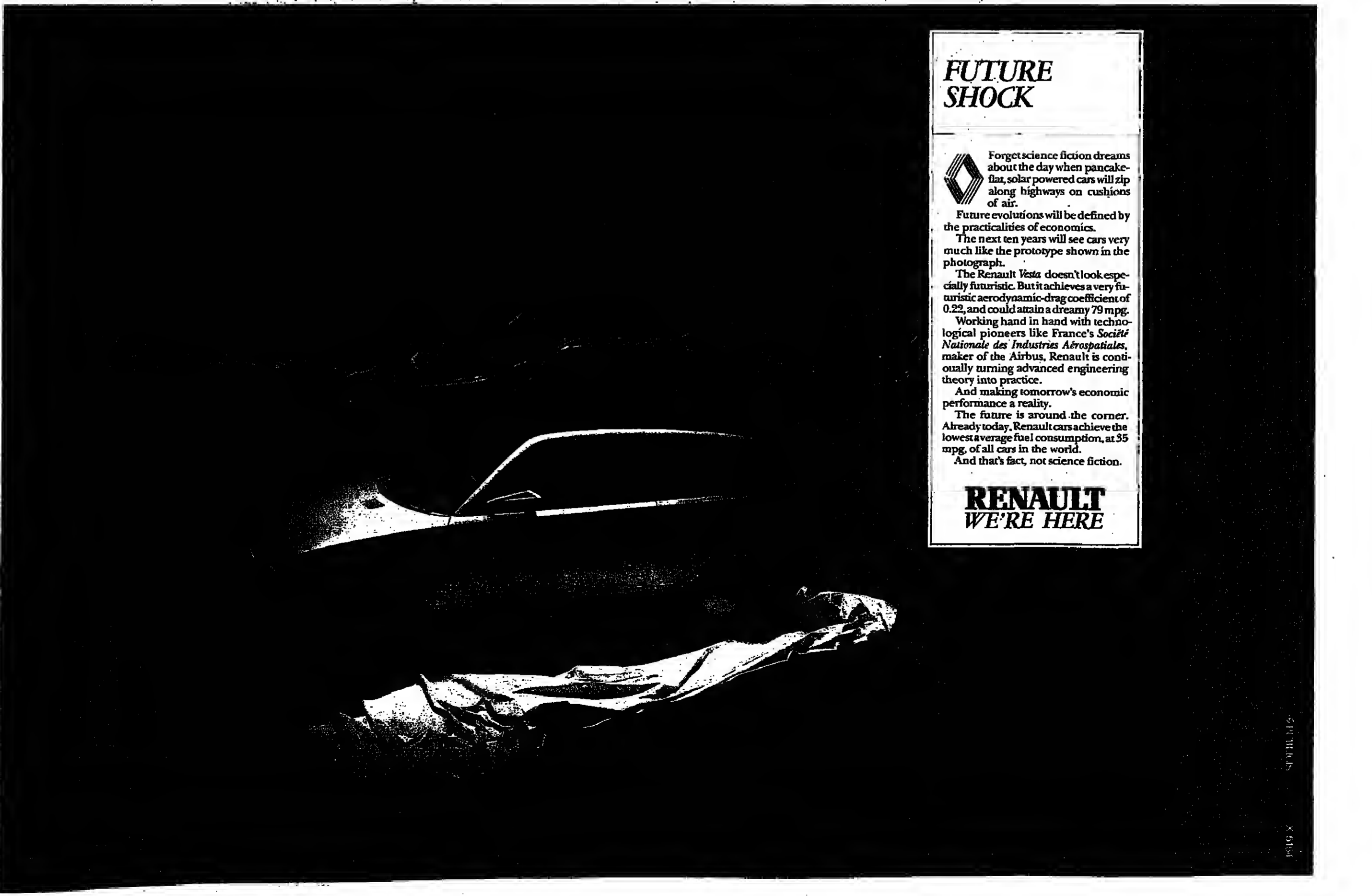
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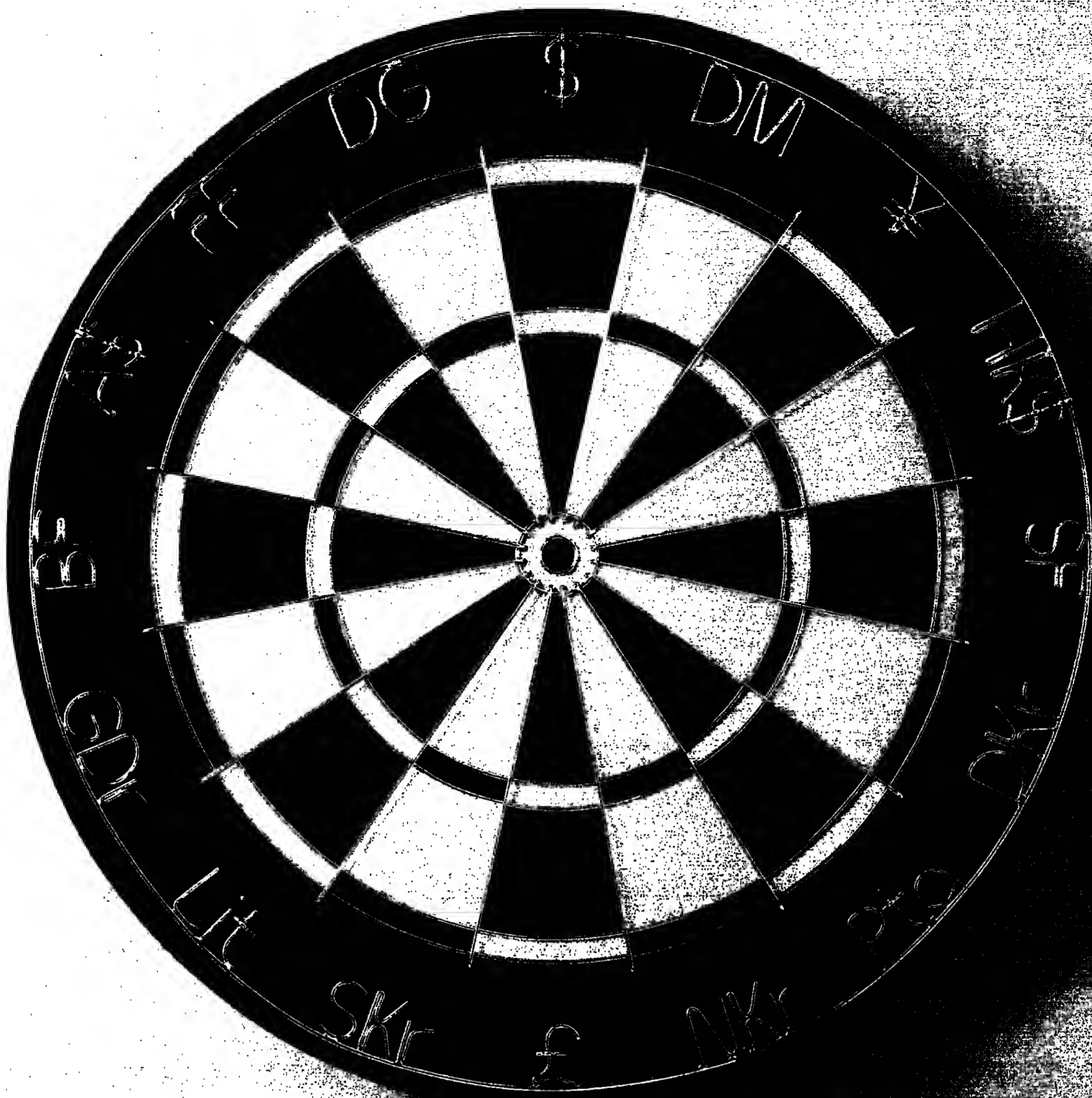
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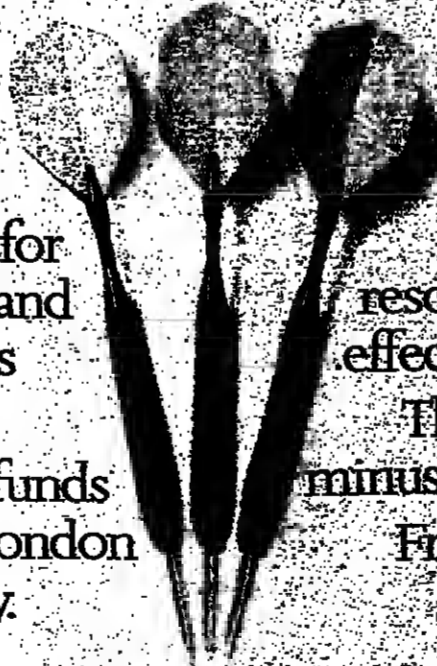


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Bank of America

Letters to the Editor

First step to reform of CAP

From Dr G. Hallert
 Sir.—It may seem carping to criticise the details of the EEC dairy agreement, when the Community has at last done something. There are, however, dangers in the new arrangements.

Quotas can be justified only as a transitional measure, given grave disequilibrium. The least satisfactory form would be to make them saleable—even between countries (thus solving the "Irish problem"). In this way, farmers withdrawing from dairying would receive a financial cushion, while others would be able to expand to an economic size.

Now that the total quota has been set at a level well above commercial sales, however, it will be difficult to introduce saleable quotas.

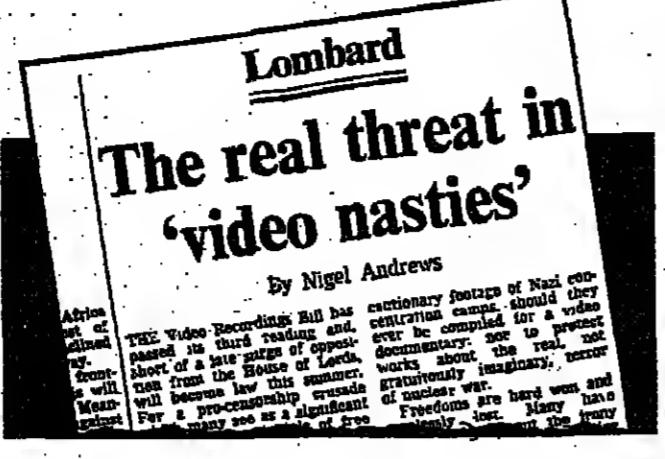
Perhaps the total quota could still be set so as to fall over a period of years, with individual quotas made saleable within the total made within striking distance of commercial sales. The danger with the present system is that the

pattern of production will be frozen and that there will be strong pressure to maintain the milk price to support farmers with uneconomically small herds.

The elimination of MCAs is also questionable. Although they would have to be eliminated eventually, when there was equilibrium in the Community market, under present circumstances they have allowed high cost countries (Germany) to have a higher price than low cost countries. There will now be strong pressure to set an EEC price which reflects the highest production cost.

It will be necessary to go on stressing, as you have done, that guaranteed prices should be related to supply and demand, and that payments to producers, or payments to serve the function that farmers perform as landscape gardeners, should be distinguished from price.

Dr Graham Hallert,
 University College,
 P.O. Box 78, Cardiff



Scope of Video Recordings Bill

From Mr E. M. M. Steiner

Sir.—Nigel Andrews, in his "Lombard" article on the Video Recordings Bill, really protests too much. It may be regrettable that such a Bill has become necessary, but this is only a reaction to the movement of the pendulum over the last 25 years.

There has been a determined attempt over this period, in both literature and the performing arts, to push the limits of public acceptability ever further, and it may be that an ultimate limit has been reached. The Bill's sponsor has clearly gauged the attitudes of the great majority correctly, since it has aroused so little resentment and opposition; and he seems to have retained a sense of proportion and moderation since he has resisted amendments to extend the scope of the Bill to soft-porn even under pressure from the Prime Minister.

Reform Club, Pall Mall, SW1

Cost of EEC membership

From Mr R. Kitzinger

Sir.—Samuel Brittan has done your readers a great service by pointing out the folly of EEC policies in his splendid article "Wrong way to reform the EEC" (April 5). He deserves special thanks for emphasising that budgetary transfers are only a small part of the cost of membership.

But the most encouraging features of the first part of his article are his backing of Jacques Chirac's idea that Britain should not be a full member of the EEC and his vision of a true European Free Trade Area.

Equally valuable is his summary of the Omega Report, but there is one point in the

quoted extract from the report that should not pass without comment. "Since European Community prices have virtually never been below world levels..."

Unfortunately, EEC food prices were below world levels for a few months in 1978 in the run-up to the Common Market referendum—thereby greatly helping the Euro-propaganda campaign.

Mr Brittan, as well as the Omega Report, shows how deviant Euro-politicians can be. Obviously EEC food prices were kept low during the referendum period in order to lure us into the spider's web.

R. Kitzinger,
 31, Oakwood Court,
 London, W14

Sunday trading within the law

From the Deputy General Secretary

Union of Shop, Distributive and Allied Workers.

Sir.—Mr J. D. Fletcher of Asda Stores (March 27) accuses the chairman of the Retail Consortium of making remarks which do not represent the retail trade. He then goes on to paint a picture which does not in any way reflect the true situation of what is happening in this country in respect of those who trade either lawfully or unlawfully on a Sunday.

His views apparently seem to be based on operating a number of shops in Scotland (few enough to count on the fingers of one hand) which have opened on a Sunday, but he ignores the fact that most other major multiples have not seen fit to do so.

To use the clearing banks as an example of demolishing the dubious nature of the "domino" theory is to ignore the fact that the bank closes makes high premium payments to those who volunteer to work on a Saturday and charges even non-customers for the privilege of getting the service on a Saturday. This, surely, negates the suggestion that deregulation of shop hours will not mean in-

creased costs to the consumer/payer.

It could be described as arrogant to suggest that the great majority should be given the choice of "win" have relevant trading experience and not to those who hide behind compromise, particularly in a sector where some are prepared to find ways round the law as provided by the wages council system in order to evade their responsibility for premium payments for Sunday work; or those who seek deregulation of shop trading hours on the pretence of serving the great British public while at the same time removing their retail presence from major cities and towns in Great Britain.

Mr Fletcher suggests that liberalisation of the 1950 Shops Act will only mean the operation by most of trading hours which were profitable. He fails to mention the great and fundamental issue of working hours which are safe for staff to travel to and from work and pay rates which are fair (or legal) for those employed in the industry. Perhaps 2.5m managers and staff, 70 per cent of whom are female, are of little consequence in the pursuit of profit.

John Flood,
 182, Wilmslow Road,
 Fallowfield, Manchester

The dark side of efficiency

From Mr John A. Chandler

Sir.—I was greatly disappointed with your leading article on "The Dark Side of Efficiency" (March 30). You have addressed what is undoubtedly the major problem of the next 25 years, and the only solution you can put forward is to ask government to create a few more jobs with public works.

There is no doubt at all that industry and commerce cannot now provide full employment and will be progressively less able to do so in the future. The U.S. can do so only marginally, and for a limited period, by "conspicuous consumption" on a massive scale. If it were duplicated around the world it would mean depletion of resources at a totally unacceptable rate.

There is also no doubt that it is politically impossible for any government to recognise this fact and abandon attempts (or promises) to return to full employment.

Thirdly, there is no doubt that unless satisfying occupations (as distinct from employment) are found for the vast mass of people who are unable to occupy

themselves, except in destruction, the whole fabric of our society will crumble.

I believe that the French, who may be selfish but are not stupid, have seen this and sought the answer through attempts to assist and protect the inefficient farmer and get others to pay for it. It is another solution which cannot be duplicated around the world.

Possibly Britain could also find a solution that keeps the problem at bay for a short time at somebody else's expense, and perhaps other countries will do so by reducing their numbers to balance the available employment, or by "breaking up the looms" and living with inefficiency.

Some time, somewhere, a lasting human solution has to be found, and it is up to the educators and the leaders of industry and commerce (not the government, who are the slaves of opinion) to find it.

The first step must be to recognise that the problem exists. It will not be solved by palliatives.

John A. Chandler,
 P.O. Box 24, Noflton,
 Greeces

Successful investment in smaller industrial companies

From Mr Robert R. Stocks

Sir.—Readers of the Lex Column on March 31, on Smaller Companies, may have been left with the impression that whereas smaller companies can produce abnormal returns, the acquisition and revaluation of shares has only growth. Recent research and BAT's successful bid for Eagle Star surely cast doubt on this assumption.

I would draw your attention to research carried out by Oppenheimer and Schlarbaum, "Investing with Ben Graham: An Ex Ante Test of the Efficient Markets Hypothesis" (September 1981). There they reported that superior risk-adjusted returns could have been earned by an investor who selected

stocks on the basis of that recommended by Ben Graham in editions of his book "The Intelligent Investor."

For these investors, characterised as "defensive" they found that "the common stocks selected on the basis of Graham's rules earned, on average, positive abnormal returns even after allowance for the impact of the taxes, transaction costs, and search costs that would have been incurred by an investor employing these rules."

Under Ben Graham's "size of firm criteria" he specifies that it should have "U.S.\$50m in assets or annual sales and be in the upper quarter or third of its industry in size..." In other words these criteria are inevitably excluding those firms

Fair taxation of married women

From Mrs Evelyn Taylor

Sir.—The solution put forward in the article "Fair taxation for women" (April 3) seems neither simple nor fair. If non-working wives are to be graded according to their age, affluence and number of dependent children.

If this solution were adopted, mothers would be encouraged to rush out to work at the earliest opportunity to take advantage of the "working" allowance as well as the increased child benefits—a most undesirable situation.

The only really fair system is one allowance for every man and woman. Wives would not then feel pressured either to go out to work or to stay at home. They should be separately taxed as a right and be able to opt for joint taxation—not the other way round, as at present. Would this be too complicated and costly for the Inland Revenue to administer?

Evelyn Taylor,
 18 Marshall Road,
 Braine, Essex.

HE STRIDES along the echoing corridors of half-empty office blocks built in the grand style of the 1930s when the world seemed to owe a living to the booming West Midlands. He points with pride to the expensive machine that his workers claimed and restored after a customer's tip-off that it was on the scrap heap of a West German competitor.

He is in charge of one of Britain's big-name companies. But because of his important export business he wishes to remain anonymous: "The FT is the one newspaper read by all our customers in Europe, and I would hate them to get the impression we might be inefficient in any way."

Across upon acres of his sprawling site is silent—a sad reminder of prosperity and the thousands of jobs axed over the past decade, particularly the past four years.

It is a scene all too familiar in the West Midlands, Britain's industrial heartland: the region that was once the pace-setter on pay and investment now ranks in terms of unemployment and social deprivation alongside the worst.

Mr Max Taylor, senior partner in Grimley and Son, Birmingham-based chartered surveyors specialising in industrial property, says there are signs of an upturn and increased inquiries. But it is relative: the amount of vacant floor space now stands at around 24m sq ft compared with perhaps 30m sq ft in the depths of recession. "The heavy sector of industry in the Black Country—I am talking about the tin-bashers and boiler-makers—are still suffering quite alarmingly," he says.

Yesterday it emerged that more than 3,000 jobs at Lucas and Dunlop and a \$30m investment have largely gone, a decision by Austin Rover whether or not to continue buying British.

It is against this background that West Midlands industrialists view with scepticism the optimistic talk of recovery emanating from Westminster, Whitehall and the Centrepoint headquarters of the Confederation of British Industry. Orders do appear to be improving, particularly in export markets. There are declarations that investment will be increased. But it is from a very low base, and there is little confidence that even the present limited expansion can be sustained.

The regional office of the CBI might confess to private that it is run on out of clichés to skate around the uncertainty. Last year it was "too soon to throw hats in the air." Now "celebrations are still being kept on ice."

Similarly, the West Midlands Chambers of Commerce in their latest quarterly survey of business intentions had to put a

Mood of West Midlands

'Recovery, recovery, what recovery?'

Arthur Smith on a pace-setter's decline



Land Rover production at Solihull

question mark against the mixed bag of findings: "Over the bump?"

Sir Arthur Bryan, chairman of Wedgwood, the china manufacturer, might have returned the sort of pre-tax profit figures—more than doubled, at £2.86m, in the six months to last October—that would encourage optimism. But he believed the national CBI forecasts to be "over the top" and "too London-orientated."

The men at the sharp end of industry, the droptoppers who supply the conrods and piston rings for cars and the turbine blades for aircraft, are more outspoken. Mr David Pows, director of the National Association of Droptoppers, says output in January, at 22,000 tonnes, was 20 per cent up on a year ago. Production for the year was, nevertheless, likely to be only 5 per cent higher. "To talk about growth is a bit sick. It is just a question of clawing back a little of what we have already lost." The industry has seen output more than halved in four years to 220,000 tonnes and the labour force slashed from 23,000 to 11,000.

Equally blunt is Mr Alan Carter, whose private engineering company, Hi-ton, supplies gears and components to the agricultural and automotive industries. Over the last two years he has pushed up turnover by 30 per cent to more than £1m a year and increased his labour force by 60 to 200.

It was in the context of that success that he was visited two weeks ago by Sir Brian Hayes, Permanent Secretary at the Department of Trade and

Industry, on a fact-finding visit to the West Midlands. Mr Carter's message was simple: "Yes, there is business about, but it is because our competitors have gone bust. I cannot see any upturn in the economy. Of course, things are better than 12 months ago." He laughs: "They could not get any worse."

One factor raising confidence in the region has been the round of successful profit figures from the leading West Midlands-based companies: GKN, TI, Lucas Industries, Automotive Products, A.E. and Cadbury-Schweppes.

A pointer to how the turnaround has been achieved is given by Mr Eric Swainson, managing director of IMI, the Birmingham-based metals and engineering group, which showed a 48 per cent rise in pre-tax profit to £31.6m on a £67m turnover. He reports that any increase in volume demand for the company's wide range of products has been mixed and at best relatively modest.

Of immediate concern is the future of the companies producing lower-added value products heavily dependent upon a shrinking UK market. Informal talks between the big foundry suppliers are already under way on rationalising excess capacity.

It remains as true today as a decade ago that the pace of activity of West Midlands industry depends upon the level of production at British Leyland—albeit the state-owned operation is now little more than the rump of its once grand empire. Dr Cedric Thomas, chief execu-

tive of Benjamin Priest, a Black Country engineering company with a £40m a year turnover supplying the automotive industry, is reluctant to place too much importance upon an apparent increase in business activity. "I remember the euphoria this time last year. It merely reflected the build-up to the August car registration figures and dropped off around October. The same could happen again."

But for all the talk of new investment there is little evidence of projects actually getting off the ground. Anthony Rudge, chairman of the Birmingham board of Barclays Bank reports: "Manufacturers may all have the best of intentions but they are not borrowing the money."

On the labour front, the notorious militancy of the Midlands car workers has evaporated against the background of unemployment and company closures. Pay settlements are currently running at well below the national average at around 50 per cent, according to the engineering employers.

The mood of the region is perhaps caught in the vast glass-fronted Birmingham headquarters of the Amalgamated Union of Engineering Workers. Mr John Allen, a harassed district secretary, looks incredulous: "Recovery, recovery, what recovery?" He nods to a pile of paperwork: "All I have got is a growing list of redundancies and closures."

He grabs his coat to visit a Birmingham site where shop stewards are concerned that up to another 400 jobs are at risk.

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Tuesday April 10 1984

Ring... King & Co Industrial and Commercial Property

RTS GROUP... SERVING SHIPS, PORTS, INDUSTRY

Sumitomo takeover of French Dunlop plants to go ahead

BY DAVID MARSH IN PARIS

SUMITOMO Rubber, the Japanese tyre group, will take over the lion's share of the French operations of Dunlop rubber company...

Marsh & McLennan hit by bond dealing loss

By Terry Dodsworth in New York

MARSH & McLennan of the U.S., the world's largest insurance broker, is to take a \$60m extraordinary after-tax charge...

ITALIAN STATE HOLDING COMPANY TO SLIM STRUCTURE

IRI plans heavy asset sell-off

BY ALAN FRIEDMAN IN MILAN

ITALY'S giant IRI state holding group yesterday announced plans to offer shares in 13 of its companies on the Milan bourse...

national supermarket chain; and Autogrill, Italy's motorway catering company. Commenting on talks which IRI's steel telecommunications group has been holding with IBM...

Prof Prodi predicted that IRI would break into the black by 1988 and repeated his recent call for a L3,000bn government loan.

Milwaukee Road bid battle re-ignites

By Terry Byland in New York

THE BIDDING war over Milwaukee Road, the railway that filed under federal bankruptcy laws in 1977, has flared after two rival bidders increased their terms...

NOTICE OF REDEMPTION U.S.\$50,000,000 Midland International Financial Services B.V. Guaranteed Floating Rate Notes 1987

Alcan to open new potlines after water deal

By Robert Gibbins in Montreal

ALCAN ALUMINIUM will announce today the go-ahead on the first of two new potlines at Lathriver, 170 miles north of Quebec City...

Essilor looks to U.S. as profits jump

By Our Financial Staff

ESSILOR, the French optics group, reports a strong rise in profits for 1983 and discloses plans for a manufacturing plant in the U.S.

Merchant banking lifts BHF group's earnings

BY JOHN DAVIES IN FRANKFURT

BHP-BANK, the West German commercial bank, has expanded its international activities and built up merchant banking operations.

Sears finds buyer for Peru stores

By Doreen Gillespie in Lima

SEARS Roebuck, the leading U.S. retail group, has sold its four-store Peruvian subsidiary to a Colombian group.

The new bids leave some doubts over the \$250m liabilities of Milwaukee Road which have been considered crucial to the bid negotiations.

This announcement appears as a matter of record only. Sunnmørsbanken a/s U.S. \$30,000,000 Certificate of Deposit Issuance Facility

Swiss Forbo group plans fund raising

By John Wick in Zurich

FORBO, the Swiss floor and wall-coverings manufacturer, is planning to increase its dividend and restructure its share capital.

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INTERNATIONAL COMPANIES and FINANCE

Japanese trust banks in plea on U.S. competition

BY ROBERT COTTRELL IN TOKYO

JAPAN'S trust banks, which share with life insurance companies a near-monopoly of the country's pension fund market, are this week expected to renew pressure on the Government not to authorise competition from U.S. banks.

Four U.S. banks have proposed joint ventures with Japanese securities houses to handle trust business. The link-ups would be between Nomura Securities and Morgan Guaranty Trust; Daiwa Securities and Citibank; Yamaichi Securities and Chemical Bank;

and Nikko Securities and Bank America Corporation.

The entry of U.S. banks into the Japanese trust market is one of the major liberalisations of Japan's financial sector, which U.S. government officials have been urging and is expected to be on the agenda of the third round of Japan-U.S. ad-hoc talks on yen-dollar issues, scheduled for April 16-17.

However, Japanese Ministry of Finance officials are likely to resist any rapid change, in favour of further study.

Support for a no-change

policy is likely to be expressed at a general meeting of the Trust Company Association of Japan, scheduled for Thursday this week. The trust companies are worried that the entry of U.S. banks into their market might also open the way for other Japanese banks to compete for pension fund business.

The Japanese banking system has traditionally segmented the type of business authorised to various categories of bank. Japanese pension funds probably total some US\$50bn, 12 times their level of 10 years ago.

Yen-swaps to be further liberalised

By Yoko Shibata in Tokyo

JAPAN'S Ministry of Finance (MoF) is expected to give foreign banks in Japan greater leeway in making yen-swap agreements, under which the banks bring foreign currency into Japan for conversion into yen. At the same time the Ministry is to lift its ban on the intake of Euroyen short-term impact loans (loans to Japanese corporations which have been confined to foreign currency) as early as this summer.

The moves are designed to give foreign banks free access to overseas fund procurement as well to help Japanese corporations to diversify their fund-raising activities.

The yen-swap limit has been in place since 1983. Foreign banks in Japan have been at a great disadvantage to Japanese banks in funding, because they lack a competitively priced source of yen funds due to their dependence upon the expensive discount and inter-bank markets. In view of the difficulties of foreign banks in finding economical sources of yen, the limit of yen-swaps by foreign banks was raised to 75 per cent of the bank's yen portfolio last December.

However, at the U.S.-Japan ad-hoc talks on the yen-dollar issues held in late February and March, the U.S. asked Japan for total abolition of the yen-swap limit.

Japan will convey its decision on the matter to the U.S. at the third ad-hoc meeting to be held in Washington on April 16-17.

At the same time, the MoF will liberalise Euroyen-denominated lending with maturities less than one year to Japanese corporations (impact loans). Under current rules only dollar-denominated medium-loans have been allowed. The Ministry's decision stems from the belief that the intake of Euroyen impact loans would have little effect on the foreign exchange market, unlike dollar impact loans.

Impact loans used to be a monopoly for foreign banks until 1980 when Japan's foreign exchange laws were revised. The liberalisation of foreign exchange, however, brought more competition for foreign banks, and deprived them of their main business in Japan.

The proposed measures are expected to encourage competition between Japanese banks and foreign banks to extend impact loans to Japanese corporations.

Australia plans lifting of deposit term restrictions

BY LACHLAN DRUMMOND IN SYDNEY

THE AUSTRALIAN Cabinet has approved proposals from Mr Paul Keating, the Treasurer, to lift restrictions on deposit terms for banks and to extend the number of foreign exchange dealers.

The proposals face a full meeting of the Caucus (Parliamentary Labor Party) next week and details of timing for the measures remain unclear. However deposit restrictions, which have prevented trading banks from accepting amounts for fewer than 14 days, will be phased out over the financial year beginning on July 1.

The Reserve Bank of Australia, the central bank, will advise the government on how best to introduce the new

regime with minimal unsettling effects on the non-bank financial institutions, particularly the merchant banks which look to the short-term markets for their funding base.

The timing of the opening-up of foreign exchange trading has also yet to be decided, although the replacement of existing licensing by a mixture of prudential controls remains. These requirements are to be studied by a sub-committee of the Caucus Economic Committee.

The Australian Government is "firmly committed" to a new resource rent tax (RRT) on oil production, but details of the new tax will not be revealed until next week, Mr Peter Walsh, Resources and

Energy Minister said yesterday. According to Mr Walsh the proposal to replace current State and Federal levies on production with a federal tax on profits, will not be a deterrent to oil exploration, AP-IM reports from Hobart.

Any increase in taxes arising from RRT would most likely be offset by a government subsidy as part of the package, he added. However, if the industry is opposed to a subsidy, the Government would consider a lower tax rate or a higher threshold for the new tax.

The Minister said he is still confident the new tax will be imposed beginning July 1 on offshore oil.

Growth for Abu Dhabi Investment Company

By Angela Dixon in Abu Dhabi

TWO ABU DHABI-based financial institutions have reported their 1983 results—the Abu Dhabi Investment Company and the UAE Industrial Bank, a federal body.

ADIC announced profits of US\$7.65m for 1983, compared with US\$3.5m in 1982, and year-end balance sheet footings of US\$494.6m against US\$350m. The company's major loan syndication in 1983 was the US\$500m Adgas loan, in which ADIC participated as one of seven lead managers. The company said it is moving outwards towards other Gulf countries for its market, although 36 per cent of its loans activity in 1983 was within the UAE.

The company has also recorded continued growth in the current year. By the end of March 1984, assets and liabilities were up to US\$1bn.

The UAE Industrial Bank began operations in October 1982. It exists to foster local non-oil industry and lends at around 4 per cent to projects judged feasible.

It has an authorised share capital of US\$146m, a paid-up capital of US\$44m, and assets and liabilities at end-1983, its first full year of operations, of US\$141m. Profits for 1983 were US\$11.7m.

Galadari Bros loan agreement

DUBAI—A GROUP of international banks led by Citibank has signed a loan consolidation agreement with Abdul Rahim E. Galadari and Brothers, a large business house controlled by two brothers in the United Arab Emirates, for the equivalent of almost 250m dirhams (US\$68m).

The agreement will cover two five-year loans, one of 175m dirhams and another of 820m extended by a group of seven banks, led by Citibank and including Credit Suisse, Lloyds Bank International, Royal Bank of Canada, Chase Manhattan,

American Express, and Gulf International Bank. Bankers close to the restructuring have declined to disclose the rates offered on the loans.

The credits are intended to consolidate debts owed by the company, the majority of which are related to the construction of the Intercontinental Hotel and the Plaza shopping and apartment complex in Dubai. The original financing, much of which was extended into second and third mortgages as Galadari and Brothers expanded its business empire, led the company

to borrow heavily from Dubai Bank.

By spreading the debt among the international banks, the company will pay off its Dubai Bank loans and help that bank come into compliance with a 1982 central bank decree which limits domestic banks' exposure to individual board members to 5 per cent of paid-up capital.

The restructuring does not involve a third Galadari brother, Abdel-Wahab, who is believed to have built up debts of more than \$20m to Union Bank of the Middle East. Agencies

NZ South British in bid for Capital Life

BY DAI HAYWARD IN WELLINGTON

THE New Zealand based international group, N.Z. South British has made a NZ\$4m (US\$2.94m) bid to take over Capital Life Assurance of which it already owns 10.7 per cent.

Its offer of 350 cents a share is 100 cents higher than the last stock exchange selling price of 250 cents for Capital Life shares, and the directors of Capital Life recommended accept-

ance. NZSB's offer puts a value on Capital Life of NZ\$4.3m. It has 1.25m ordinary shares and last year announced a profit of NZ\$303,325 against NZ\$189,288 in the previous year.

A group of Auckland businessmen bought a 39 per cent stake in Capital Life from Fletcher Challenge last year. They were led by Mr P. J. Crellin, who will stay on as managing director if the South British bid is successful.

When Mr Crellin's group bought their block of shares from Fletcher, the market value was 100 cents a share. South British, and Capital Life had an earlier association through the credit card company, Diners Club, which is 81 per cent owned by South British. Capital Life has been involved in several special policies, offers to Diners Club members.

BANRO INDUSTRIES plc

Results to 31st December	1983	1982
Turnover	24,625,621	24,131,833
Profit before tax	512,590	508,450
Profit after tax	336,417	261,157
Earnings per share	5.7p	3.9p
Dividend per share (nat)	3.3p	3.3p

“In the early part of the year results were adversely affected by disputes at Ford Halewood, Austin Rover and at the plants of our French subsidiary's customers. Since then the situation in the U.K. motor industry has improved and I am pleased to report that all but one of our U.K. units have performed well in this second half-year. In France prospects for the current year are reasonably satisfactory.

Overall the group picture is of development, energy and activity. The markets in which we operate are highly competitive, but our plants are modern and well equipped and we are confident of more than holding our own. The problems at Lignotock continue to be a drag on profits but once resolved, as we are determined they will be, we can look forward to a swift recovery in the performance of the group as a whole.”

Edward Rose, Chairman and Chief Executive

The principal activities of the Banro Group are the manufacture of framed windows, rolled sections, motor car body components, off highway vehicle components, the continuous processing of metal in coil form, for the sea, air, road, rail, domestic appliance and building industries.

Copies of the Report and Accounts may be obtained from the Secretary, Edmore Works, Pease Road, Brownhills, West Midlands WS3 7HP

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FINANCIAL TIMES SURVEY

Tuesday April 10 1984

Refurbishing

Developers forced to rethink by Budget measures

REFURBISHMENT is highly topical. This year it received the attention of Britain's Chancellor, Mr Nigel Lawson, in the Budget; it was the theme of this month's International Council of Shopping Centres (ICSC) 9th annual European conference in West Berlin; and, today, there is a major whole-day conference on the subject, coupled with the two-day Building Refurbishment Exhibition in London's West End.

Reactions to the Chancellor's Budget imposition of value-added tax on building alterations have been many and varied and, of course, a Finance Bill can be altered in the committee stages.

The exact effects are, therefore, still difficult to assess but as an accompanying article on this page makes clear, the variables are considerable. There are, however, a couple of ways of looking, hypothetically, at what could happen.

Last year, examples of refurbishment costs averaging around £50 a sq ft were being quoted for this survey by quantity surveyors E. C. Harris and Partners. The figures are not likely to have changed much, yet.

What could happen, one supposes, is that VAT could be levied at 15 per cent on those costs, raising them to £57.50. Putting this into perspective, in the City of London a refurbishment could lift rents to about £30 a foot, valuing the property at £600 a foot of which the VAT element would be 1½ per cent.

Where refurbishment is only contemplated, the developer will have a choice to make, and may delay that choice until the situation is clear cut. Stockbrokers Scrimgeour, Kemp-Gea observed in mid-March that the progressive reduction of capital allowances on plant and

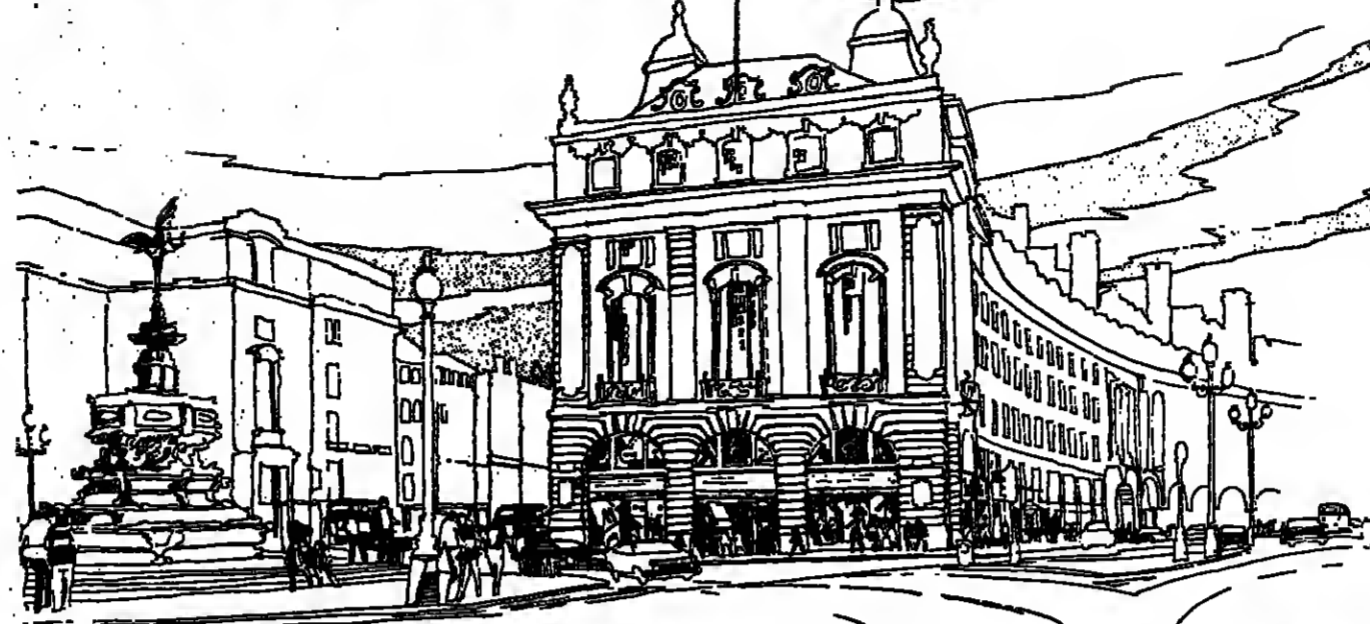
By WILLIAM COCHRANE

machinery might impinge further on the financial viability of some refurbishment schemes, especially offices where some 33 per cent of the rebuilding cost is comprised of expenditure on air-conditioning, new lifts, and so on.

But, in a situation where refurbishment is the only practical option—listed buildings, existing site densities which preclude new build—then the developer will simply have to pay less for the old building, or lower the residual value if he already owns it.

The ICSC took refurbishment as a theme for West Berlin this year after the concept was raised, and dominated much of the conversation at last year's conference at Monte Carlo.

As the council puts it: "There are many (shopping) centres which fail to meet today's requirements of the retailer or shopper. Their failure is due to out-dated



● A LONDON landmark: Michael Laurie's refurbishment of the former Swan and Edgar department store at Piccadilly Circus for the Dutch company, Resource Development, could be an exciting example of what can be done with a good building which has fallen out of fashion. Full details on Page IV.

design or layout, or the evolution and change in the catchment area. In consequence, much has to be done to safeguard their attractiveness as a shopping environment, as well as their real growth in terms of rental and capital values."

The emergence of shopping centres as a prospect has made refurbishment an altogether brighter subject. An architect is not going to get an adequate showcase for his exterior designing skills out of a listed office building, or facade. But there is space to show off both outdoors and indoors in a shopping centre, as well as a good reason for it: an attractive venue can attract and hold the shopper.

In the industrial and warehouse sectors, developers have latched on to the idea that refurbishment of "Satanic mills" does not need to leave them with a more saintly variety of the same. Old industrial property is turning into a collection of industrial start-up projects, or craft studios,

boutiques, residential flats, even old peoples' homes. In this connection the UK Government is actually getting some credit. Its urban development grants scheme, acts as a pump primer, by making a contribution to the developers' costs in marginal cases.

Today's refurbishment conference will open its afternoon session on another topical matter. Ian Hursthouse of Hunter & Partners will give an architect's view of the dilemma between planning philosophies and constraints on historic and listed building work, and the influence of the institutions and funding criteria. Earlier this year, following

publication of a critical report on modern architecture in the City of London, conservationists, architects and developers joined battle with each other in the argument between new build—operationally efficient for some, hideous for others—and preservation of existing structures.

Mr Hursthouse's paper aims to explore planning policies and the commercial factors influencing the refurbishment of historic and listed buildings, such as floor loadings and floor areas, and the part played by agency advice in the formulation of proposals. His comments on planning in London will be interesting. John Badham, a partner in architects

Fitzroy Robinson, has one of his own. "The problem with conservation in the City of London," he says, "is that it's 20 years too late."

Another architect, Jeremy Mackay-Lewis of the Whitney Mackay-Lewis Partnership, comments on the seeming hot-potch: "In Nash's time the facade was the main thing and what happened behind did not matter. A client would buy the facade from Nash and a local builder would extrapolate behind."

"It was all on a grand scale," he says, "part of the total life style of people at the time. It was a public image. Now it is an individual image with each building shouting for its own acclaim on the street scene."

At the Royal Institute of British Architects, 66 Portland Place, London W.1. Other events in the 3rd Building Industry Convention this week will take place at the Cavendish Conference Centre and the Regent Crest Hotel.

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Despite VAT changes, the sector should soon recover

By MARK FENTON

THE CHANCELLOR of the Exchequer's announcement in his 1984 Budget statement that from June 1 1984 all building alteration work will be subject to VAT at the standard rate is bound to affect the refurbishment sector of the construction industry.

Until now, demolition and the alteration and reconstruction elements of a refurbishment have, generally, been zero-rated. Indeed, where the extent of works fell within the definition of substantial reconstruction, the whole of the works could qualify for zero-rating.

From June 1 1984, however, all work done to any existing building will be standard rated.

This should not amount to a blanket additional on-cost as other budget changes such as the reduction in stamp duty and corporation tax changes may well have some alleviating effect. Each case will have to be separately

examined according to its specific circumstances.

Where no town planning restrictions such as listed buildings, conservation area, or non conforming user, are involved, however, the decision to alter, refurbish or totally rebuild, is often made substantially on a viability study. The change in VAT legislation could well alter the decision in such cases.

It is too early to forecast the overall effect, but it is quite probable that, as with previous cost increases, there will be an initial slowdown in this specialised field followed by a gradual return to normal as the situation becomes generally accepted. Nevertheless, even though, as a result of the VAT changes, refurbished buildings may not be directly competitive with new buildings on a rental basis, refurbishment is a significant part of the construction industry. It should recover.

Mark Fenton is a partner in Newman Levinson & Partners, architects and town planning consultants.

ENERGY BLUEPRINT

PLANNED EFFICIENCY AND ECONOMY IN THE USE OF ELECTRICITY. 21

Economic electricity stores up a warm welcome

To extend their trade all the year round, the owners of a small Devon hotel needed to improve their heating. They specified electric storage heating because it would be economical to install and run. Another factor was the need to avoid any unnecessary disturbance to the building fabric. As a listed Georgian building, the Laston House Hotel at Ilfracombe has elaborately decorated ceilings and an original Adam staircase.

The owners, Jim and Anne Biggin, were well satisfied on both counts. "The storage heaters were fitted in so easily without any mess or disruption. It all went as smooth as silk."

As for economy there was a £6,500 saving over the alternative installation of a fuel-fired system. The running costs have turned out very reasonable, too, with automatic controls and by using low night rate electricity. The cost of heating the whole building throughout the year 1981/82 amounted to less than £1 per week for each lettable room.

Any need to adjust the heaters frequently by hand has been overcome with energy-efficient controls. An outside sensor automatically regulates the overnight charge to the heaters according to the external temperature.

Now, with the new system operating, the hotel offers a warm welcome



Laston House Hotel where storage heaters provide clean, reliable warmth.

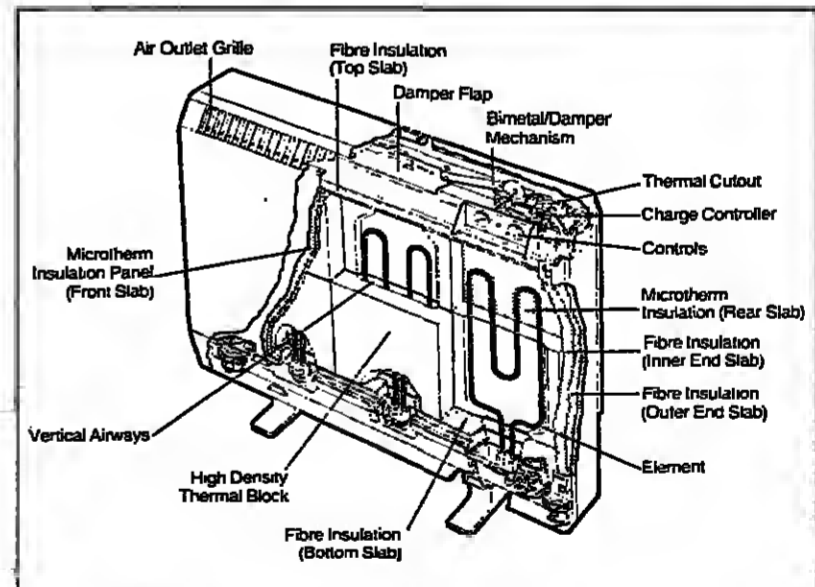
throughout the year. A relatively small investment has assured returns in comfort and economy for both the hotel owners and their guests. For more information tick box no. 1.

Advanced storage heaters bring high performance at low cost

Developments in storage heating technology have been steady and considerable, but surprisingly they are little understood. They offer benefits to a wide range of premises, in particular shops, offices and hotels both new and those due for modernisation. In all these premises, heaters of advanced design, allied to more efficient controls, offer economic and flexible heating with the cleanliness and reliability of electricity.

For example, the newest slimline heaters are less than six inches deep, a design made possible by the use of new materials. The storage core is of high-density iron oxide which has 60 per cent more heat capacity than the earlier materials. And more dramatic still is the Microtherm insulation. Developed for use in the latest high-performance military aircraft, it is three times as effective as the traditional mineral wool. Incorporating these two developments has produced a new generation of compact heaters with good performance on the seven-hour night tariff.

Automatic controls now determine the amount of heat to be stored at night to meet the following day's needs. Regulation to within one or two



Cutaway diagram of a typical modern storage heater.

degrees Celsius is possible in offices or shops where heating is only needed during the working day. Damper controls allow some heat to be held back for release at any time when a boost may be needed.

Storage fan heaters and Electricaire warm-air systems are even more controllable; the output is regulated by thermostatic switching.

Storage heating systems have always had a good reputation for reliability and low capital costs. Now with their technical advances and the cost advantages of night-rate electricity they offer highly competitive heating systems both in terms of performance and operating costs. For more information tick box no. 1.

New code for interior lighting

Those concerned with the provision of energy-efficient lighting will be helped by the publication of a new edition of the Code for Interior Lighting.

The Illuminating Engineering Society (IES) has produced, at intervals since 1936, a code of recommendations for interior lighting, the last in 1977. In the early days it was mainly concerned with the quantity of light to be provided for the performance of visual tasks. This has always been a subject for discussion because the requirement varies widely between individuals (age, eyesight, etc) and tasks, i.e. size and contrast of detail to be seen, the level of speed and accuracy required, and the length of time over which the task must be

performed. Over the years the IES Code became internationally respected and the emphasis on quantity of light was complemented by greater consideration of the quality of the visual environment. The recommended levels of lighting have remained substantially unchanged over the last ten years.

In 1978, the IES amalgamated with the Chartered Institution of Building Services (CIBS) and the first Code from the new body has now been published. This deals with the quality aspects of lighting—colour rendering and appearance, direct and reflected glare, spatial distribution of luminance, and so on. Quantity of light is also dealt with in detail, the recom-

mendations having been based on a consensus of current practice. Of particular benefit is the practical guidance given on the choice of light sources and luminaires and the reference to their energy effectiveness and to possible control systems.

If you are involved in the specification or design of lighting installations, or merely want to find out more about a fascinating subject, the CIBS Code for Interior Lighting is essential reading. Tick the box for an order form or contact the Chartered Institution of Building Services, Delta House, 222 Balham High Road, London SW12 9BS. Tel: 01-675 5211. For more information tick box no. 2.

Electric storage heating: the basic advantages

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THERE IS simple — and simplistic — arithmetic. Applying the latter to office refurbishment would suggest that, if a given City of London rent could be bumped up from £18 to £30 a sq ft by making new buildings out of old, a developer could get away with spending nearly £200 a square foot on doing the job. An extra £12 of rent, in the City, is worth between £200 and £250 in capital investment terms.

Following on from that, prestige West End jobs would rate less, and provincial centres less still, while unattractive locations among those centres, nothing at all. This argument is true, to a point. But property professionals argue that it is "a cockeyed way of looking at things." Mr David Gaunt, of building surveyors Hunter & Partners, accepts that spending £100 a sq ft in Kensington or Chiswick is "crazy—but it has been done."

Office renovations in London's West End

wards, finding out how much it will cost to produce the right product; after that, either the equation works, or it does not. Even then, they may have to be extremely patient. Land Securities' refurbishment of Devonshire House on top of Piccadilly's Green Park underground station, in London's West End, has been on the market via letting agents D. E. and J. Levy since the late summer of 1982 — first, at around £25 a sq ft for the 150,000 sq ft of space and, since last September, at an average of £22.50.

points out that building costs do not take account of voids, loss of interest on the capital investment involved and professional fees such as those to the architects, Ronald Ward and Partners, and letting agents Jones Lang Wootton.

Mr Capocci reckons the all-in cost of the project is in the region of £12m — not far short of £150 a foot. However, he extends Mr Gaunt's equation where West End property is concerned.

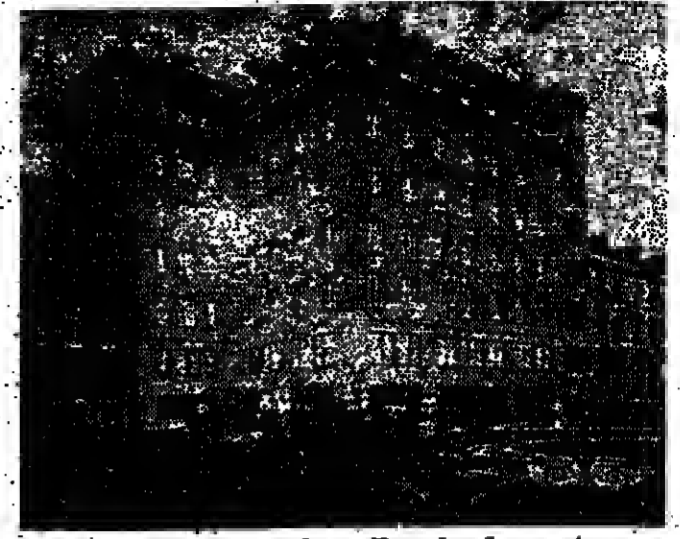
First, he says, the individual characteristics of the West End market are going to lead to higher costs. It is still classified as residential, planning permission is hard to obtain, time and money are spent in obtaining it. The developer can be pilloried by commercial neighbours for working in normal hours, or residential neighbours for noise and disturbance at abnormal times.

He has also to build to a higher specification "we could build to lower specification for £2 to £3 less on the rent," says Mr Capocci, "but that would still leave us high in relation to our direct competitors in outer London and the provinces."

However, starting redevelopment puts the building into a different rental category. "The rental value of an old building is more or less fixed," he says. "It probably hasn't changed since mid-1981."

But rents for new or refurbished prime have been rising slightly and, hopefully, will have gone up more before the building is fully let.

A landlord or, worse, the owner of a void building has to consider the alternatives. A building with no rental growth — and no guarantee of continued occupancy — is going to reduce in value. So something has to be done and that something has to produce a viable product.



This sophisticated London office development, overlooking one of Mayfair's best-known garden squares, is the result of a £9m refurbishment scheme by Prudential Assurance—Britain's biggest insurance group

Mr Capocci takes the hypothetical case of a building which could be valued at £1m, when let, after refurbishment. "If the cost of upgrading is £200,000," he says, "the residual value of the present building is £300,000. If the market is poor and the estimated cost of getting it let is £250,000, then the residual value is £750,000."

Taking the argument a stage further, property professionals have been talking about the imposition of Value Added Tax on alterations. Applying the worst possible interpretation of the change to Mr Capocci's sums, VAT would add either £30,000 or £37,500 to refurbishment costs.

Clearly, now, this does not mean that the rent to be charged is going to be three or four per cent higher; not if the achievable rent, which is the starting point, is the optimum.

Theoretically, at least, it means that owners of a building which needs upgrading will have to reduce its residual value; or that developers in the market for refurbishment prospects will be bidding that much less to buy them.

Marriage of old and new

ALL REFRUBISHMENT is a marriage of old and new. Redevelopment behind an existing facade usually means old packaging for new space, but there is more than that involved at Phoenix House, 4-5 King William Street in the City of London.

The development team includes, as architects, the Fitzroy Robinson Partnership, agents Richard Ellis, Edmondson and Johnson as quantity surveyors, and builders Trollope and Colls. More than ten years ago the plan was demolition and complete redevelopment, but the conservationists' have made their mark since then.

The compromise on the facade," says Mike Warner of Ellis, "is not optimising the plot, or the building."

The 81,000 square feet development, due for completion in the autumn of 1986, is going to cost around £100 a square foot. "A new building could cost 10 to 20 per cent less for the right standard of building, and would be easier to let at a rent £2 a square foot higher," says Mr Warner.

As the scheme retains the facade and depth of building on the King William Street front

Transformation in the City of London

age, the whole elevation to Abchurch Lane except for vehicular access and half the length of the ground floor facade to Sherborne Lane.

The upper floors above the retained ground floor wall are to be rebuilt with a new stone elevation with classical decoration. The proposed elevation of the remainder of Sherborne Lane and to Abchurch Yard will be modern.

So the Sherborne Lane facade starts with the original, goes on to new construction in the old style, and finishes with modern "trying to marry up the old and the new," says John Badham of Fitzroy Robinson puts it.

It is not only the facade which is listed, says Mr Badham—"there are preserved rooms at ground, first and second floor level and a massive marble entrance hall with columns, a gallery all round the first floor and a dome on second floor level—a sort of enclosed stratum."

"Preserving bits of the inside is a new thing for the planners," he adds, "but these do help to prop it up." As Mike Warner says: "You can spend a vast amount of money in holding up an unsupported facade."

Quantity surveyor Ian Johnson, seeing some difficulty in forecasting how the contractor would see the job, went for two-stage tendering: six or seven contractors at stage one, based on bills of approximate quantities; and two at the second stage, still on approximate quantities (but more accurate).

"It was necessary to do this," he says, "to get the input of a contractor at an early stage and a competitive contractor in the end." In the end, demolition and retaining the retained parts were no problem.

Attraction

Meanwhile, the Prudential Assurance project at 22, Hanover Square, London, also reckoned to be one of the best buildings on the West End letting market, is believed to be attracting tenants at the time of writing.

The 90,000 sq ft building was unveiled just after completion of its refurbishment last December, when the building costs were said to be £9m, or £100 a sq ft.

Mr Michael Capocci, a principal surveyor with the "Pru,"

he says, "is probably hasn't changed since mid-1981."

But rents for new or refurbished prime have been rising slightly and, hopefully, will have gone up more before the building is fully let.

A landlord or, worse, the owner of a void building has to consider the alternatives. A building with no rental growth — and no guarantee of continued occupancy — is going to reduce in value. So something has to be done and that something has to produce a viable product.

Strong demand in Aberdeen

IN THE City of London, period refurbishments are let at a discount to new, operationally efficient space. In Aberdeen, the roles are reversed and office refurbishments in the city's prestigious West End business district can command a hefty premium over new buildings.

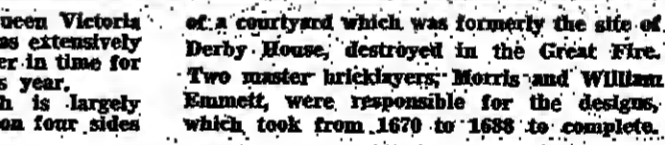
Location, planning, supply and demand are all factors in this equation, which is founded in the structure of the local economy.

Mr Michael Corr, who heads the Drivers Jonas team in the city, maintains that it is the production of oil which generates employment: "You can employ with very few people; you can develop fields with a large staff which does not have to be based in Aberdeen; but to produce there is a need for a large number of offshore installations which, in turn means that there are on-shore staff to be housed, plus the need for maintenance facilities and other services."

The oil companies' expenditure produces a multiplier effect on the local economy as staff spend their money in shops. There is also an increase in the type of business which uses small offices—"all this is the key to the Aberdeen property market's growth at the moment," says Mr Corr.

"Refurbishment is where we see all-of-the-office-rental-expansion-at-this-time," he says.

Solicitors, travel agents, office equipment suppliers, accountants and management consultants are all looking for 5,000 sq ft and downwards. The West End, with Abryn Place its focal point, is the only real area where you can find buildings of that size and of any real quality."



THE College of Arms, in Queen Victoria Street in the City of London, was extensively refurbished by Ashby and Horner in time for the College's quinquicentenary this year. The present building, which is largely original, was erected in stages on four sides of a courtyard which was formerly the site of Derby House, destroyed in the Great Fire. Two master bricklayers, Morris and William Eumett, were responsible for the designs, which took from 1679 to 1688 to complete.

Renewal in the regions: Aberdeen

The situation, as he explains it, is a combination of strong demand and very constrained supply. The local authority has a well-defined area outside which it does not want to see more office development. Within that area, development is virtually all constrained to the refurbishment route.

The West End cachet does matter. The Dutch construction and property group Bredero, shortly expected to get the final go-ahead for its George Street shopping centre, just to the north of the Union Street prime shopping pitch, has its local (refurbished) offices in Bon Accord Street, off Union Street to the south. Mr Sandy Cook, the Bredero director based in Aberdeen, notes that his rent

has just been revised up to £4.50 a square foot.

Meanwhile, Michael Corr is claiming a standard £8 to £8.50 a square foot for the West End and up to £9 a foot in exceptional cases. Out of the West End, a lot of space, mostly in bigger blocks of between 30,000 and 80,000 square feet, is chasing relatively few tenants. Refurbishments here, where rents are between £8.50 and £7.25, if achieved at all, are not having such an easy ride.

In parallel with the City of London, the development market in Aberdeen is highly competitive. However, the costs of the refurbishment process are not so high.

Looking at 5 and 6 Queen's Terrace, where his firm is acting with Conrad Rithlai for the Cannon Assurance Property Fund, Michael Corr reckons that refurbishment costs of £22 a square foot, compared with the £40 to £50 level quoted for London in the Financial Times last year and the £100 a foot seen in some prestige jobs lately, allows both developer and agent to be phlegmatic.

It can take up to six months to let a typical West-End building in Aberdeen, says Mr Corr. "If you let it on day one," he adds, "that's a bonus."

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REFURBISHING III

City-centre transformations

New ways to make better use of problem office buildings

BRITAIN'S CITY centres are littered with examples of "classic" late 1950s office buildings: faded blue curtain walling which lets the rain in, square angles and, frequently, high rise elevations which meant a lot of unlettable "core" space.

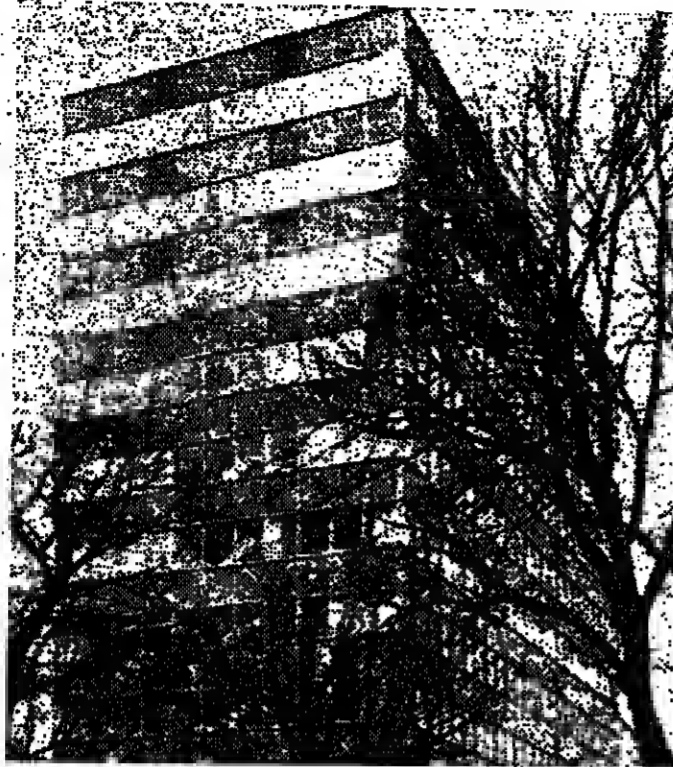
The floor-to-floor heights of these buildings, and slightly later examples, are often too low to allow for the introduction of suspended ceilings—to cope with trunking for air-conditioning, heating and services—or for raised floors for computer and communications cabling.

But these buildings have to be considered one by one and, for some of them at least, much can be done to make them more efficient and attractive workplaces.

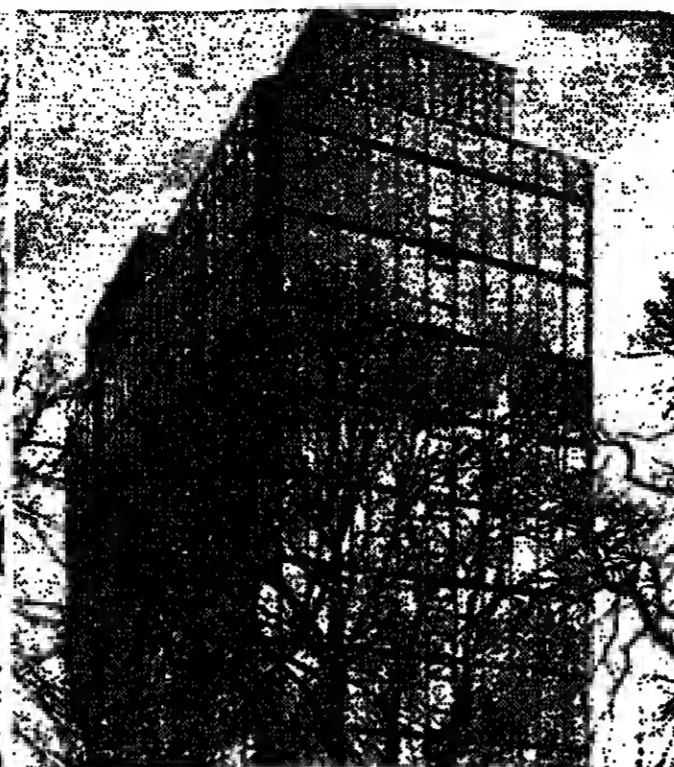
At the end of 1981, insurance brokers Stewart Wrightson brought in Sunley Holdings to refurbish Fountain House at the heart of the City of London's insurance market, in Fenchurch Street. Constructed in 1958, the building has net lettable space on 14 floors of approximately 100,000 sq ft.

Owned by the Clothworkers' Company, the building was held by Stewart Wrightson on a head lease expiring in 2062 at a fixed rent, and was originally occupied by members of the group. Sunley had an unspecified interest in the building by agreeing to fund the refurbishment cost, originally estimated at £6.5m. Specific problems at the end of the 1970s are described by Edward Erdman, appointed as managers of the building and project managers for the refurbishment.

On sub-leases: "A lot of the occupational leases were internal repairing only," says Mr Clive Rose of Erdman. "At one point there was a complete gap



● The Chiswick Centre (right), formerly known as Empire House, shows how the developer, Clerical Medical and General Life Assurance Society, was able to change the profile and essential character of a "classic" post-war office building (left)—and, in the process, to exchange a multi-



licity of tenants for the impeccable covenant of IBM. Bovis and the Towce Group, which recently formed a joint operating company, Retrofit, to concentrate on the construction and building services elements of fast track projects, were involved in the Chiswick Centre programme from its inception by the client's surveyors, Richard Ellis.

in repairing covenants in relation to the structure of the building."

On the original curtain walling: "The frames were in mill-finished aluminium which forms its own corrosion; faded blue panels, clear glass with an appalling clutter behind it; designed to let the water out, because they couldn't stop it getting in."

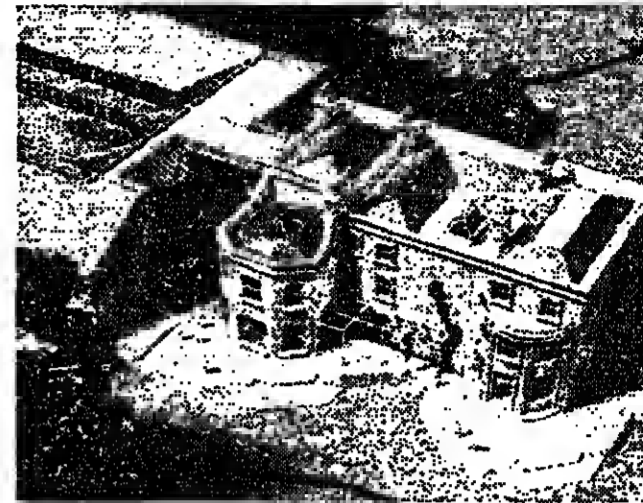
In addition, the lifts had become increasingly unreliable, heating and electrical services in general were reaching the end of their useful lives and the entrance hall, lifts, lobbies and toilets had all acquired a down-at-heel appearance.

Subsequently, most tenants agreed to switch from internal to full repairing liability. The refurbishment scheme carried out while more than 30 separate tenants employing some 400 people remained in operation, encompassed:

- Replacement of the entire curtain walling.
- Provision for the future installation of air conditioning.
- Replacement of the boilers and all heating, water, plumbing and drainage.
- High speed lift replacements.
- Upgrading of electrical services.
- Improved fire prevention and emergency lighting systems.

Combining old-time elegance with today's office needs

Refurbishment of historic buildings



● New look for a Victorian building: a model to show how old and new space are combined at Harefield on the north-west borders of London.

IT IS sometimes questionable whether historic refurbishments can justify the money spent on them. However, a number of developers have combined elegance, utility and space in a rural setting by taking listed buildings in extensive grounds, and adding a large chunk of modern offices.

Sherfield Investments has recently sold Dogmersfield Park, off the M3 near Odham in Hampshire, to the Californian computer company Amghal for £6m. Joint agents for Sherfield were Charles Price Rantor and Co and Lane Fox and Partners.

The scheme comprises 81,000 sq ft of net lettable area (net also of 8,350 sq ft of basement space) in a 23-acre park. The original mansion and stable complex add up to just over a quarter of the space.

Royal London Mutual, a pioneering institutional developer in its own, quiet way, took on the Lutyns-designed Daneshill House at Cfineham, near Basingstoke and achieved over 35,000 sq ft of new, modern space for the refurbishment of 5,800 sq ft.

Meanwhile, at Harefield, near Rickmansworth on the north west borders of London, Debenham Tewson and Chincocks is project managing a similar job on Harefield Grove which it acquired in 1983, for Initial Services, for owner occupation.

Planners and architects are Graham Moss Associates, and the building contract has been let to Wiltshiers. Mr Graham Moss himself sets out some of the problems, and solutions. "Time was of the essence," he says. "Michael Walker of

Initial put money up for the preparation of all the details, including 350 detailed technical drawings; normally the client would not get to that stage before planning permission was granted."

"We did everything at once: design, detailed planning, detailed contract documentation and the selection of the building contractor were all done between March 1983 (when Moss were appointed) and March 1984."

The site, 18 acres in total, has lain derelict for 20 years; now, some £250,000, over three years, is being spent on landscaping it.

"We were criss-crossed with all the planning restraints imaginable on landscaping," says Mr Moss. "The site was green belt; designated as outstanding landscape; it had a tree preservation order covering the whole site; and a Section 52 (Town and Country

Planning Act 1971) public access agreement covering approximately two-thirds of the grounds for three days in any one calendar year."

Essentially, Moss are taking an ugly Victorian building, remaking the elevations to create a good Grade II listed building and 10,000 sq ft of net, uneconomic space which will be the directors' building.

Debenham Tewson had to make the project work as an investment. It bought where it did, and when, in view of the scheduled completion of London's M25 orbital motorway nine months to a year after completion at Harefield Grove.

"When the M25 is complete," says Mr Robert Peto of Debenham Tewson, "initial will have a very handsome paper profit." Operational quality comes in with the 20,000 sq ft of new offices. Mr Peto thinks that the 2:1 ratio of new to old space is "as near perfect as it can be."

A surge of new hotel projects

£3.4m facelift for the London Hilton

TROLLOPE & Colls (City) is most readily associated with prestige City of London refurbishments such as the Royal Exchange. But, says director Mr Patrick Trollope: "We have been involved in hotels for a good many years."

Its latest effort in that area, announced this January, is the £3.4m facelift at the London Hilton on Park Lane.

"There has been a tremendous upsurge in the upgrading of hotels," says Mr Trollope. Overseas money has been pouring into the sector, and whether an hotel is a takeover prospect or not, it still has to face up to impending competition.

On the ground floor of the Hilton, the front lobby will be stripped out and modernised to incorporate a new reception area and lobby lounge in the front lobby, and three shops in the arcade. A circular staircase, weighing 34 tons when finished, will lead to the new British Harvest Restaurant on the first floor to replace the old Patio Restaurant.

Above, from the fifth to 21st floors, all the bedrooms will be fitted with new air conditioning units with specially made joinery casings and the suites from the 22nd to 27th floors will undergo varying degrees of modernisation. One level will be converted into a reception area to be known as the Vista Executive Lounge, for exclusive use by residents of the top four floors.

Mr Mick Rooney, contract manager at the Hilton for T and C (City), reckons that this contract has posed more difficult problems than the Royal Ex-



● The London Hilton—big changes under way.

change job. The company is cheerfully coping with major engineering problems on the lower floors, but some really niggling and time-consuming difficulties are being tackled in the bedrooms up above.

The lobby has to be ready by Easter, the lobby lounge by June 16 and the British Harvest Restaurant opens on June 24. T and C will take a break then to allow the hotel peak occupancy rates in peak season, going back to finish some of the upper floors (the 12th to 21st) between next November and January.

"The contract," says Mr Trollope, "could eventually come to more than £3.4m. And because it is being done in stages, Hilton may decide to do more in the end."

Another construction company in a big-name hotel project is Kyle Stewart, which is a year from completion of a £74m contract involving the alteration, strengthening, reconstruction and refurbishment of one wing

of the Savoy Hotel to form 50,000 sq ft of office space and 13 luxury flats for London & Leeds Investments, the property arm of the Ladbroke Group.

Other members of the development team include the Fitzroy Robinson Partnership, architects; quantity surveyors M. K. Boyden & Company, and consulting engineers Ove Arup & Partners.

The building is of 12 storeys, nine above pavement level and three at basement levels. A site investigation revealed that the steel frame at the seventh and eighth floors had severely deteriorated due to weather ingress. A new steel mansard with concrete plank infill was constructed for these two levels.

There is another mixed development against which access problems are a common complaint. However, separate entrance halls were designed by David Hicks to provide access to the offices and the flats both served by their own lifts.

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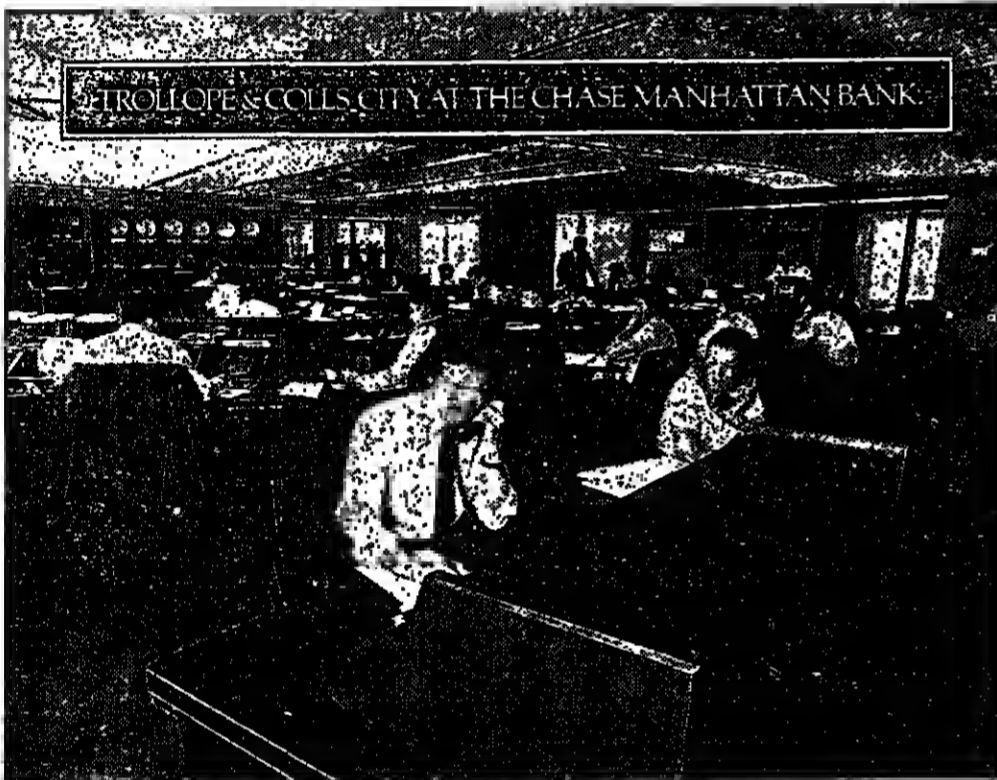
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REFURBISHING IV

Interest rises in retail sector

Shopping centre modernisation

SHOPPING CENTRE refurbishment on a grand scale has been much talked about in this country ever the past year. Charismatic names like Conran (in partnership with Michael Laurie) have staked their claim to a slice of the business, all sorts of people are offering advice on it but not much, yet, has been seen to be done.

However, Hillier Parker have made an audio visual on the subject. They are involved in the planned major refurbishment of the Butts Centre at Reading for the Kleinwort Benson Property Fund; and Harold Couch, who heads HPI's retail team, was able to illustrate the economic benefits of shopping centre refurbishment for the purposes of this study with an hypothetical case.

A typical case for treatment could be:
● declining in popularity with both retailers and shoppers;
● losing retailers and shopping public to more modern competition nearby;
● tired, dull, unattractive, out of date and lacking in the style expected by the shopper of the 1980s;

● short on management and promotion; and/or
● under threat from competition and rising standards.
Mr Couch and his colleague, Peter Reddick, refute the cynical view that the rise of the retail centre could have something to do with the lack of opportunities for new build. "The catalytic effect of new centres in Peterborough, Ipswich, Cambridge - make people look harder at the two older ones," says Mr Couch.

Peter Reddick sees a shopping public looking for the opportunity to shop "without stress and haste". "Whatever type of property is being refurbished, one is hearing more and more the argu-



Leonard S. Jarrad, senior partner of Hillier Parker May and Rowden, who chaired this year's annual European conference of the International Council of Shopping Centres in West Berlin earlier this month

ment that the investor may be just as keen to avoid losing money—through voids, lower rental rolls, lower quality of remaining tenants, lower valuation bases—as to increase the value of his investment.

The hypothetical case avoids the why and wherefore. Mr Couch starts with an existing rent roll of £1.25m, valued on a 6 1/2 per cent yield basis, or 18 years' purchase (yp), at £20m. It might cost £5m to "refurbish" this property.

Refurbishment, in this analysis, might include extension and re-shaping to get more space as well as "putting a lid on it"—covering what was uncovered before—re-examining the entrances, the malls, car parking, stairs, lifts and other common areas.

The result of all this could be a rent roll of £1.75m. The yield would have to go up to 7 per cent (and the yp down to 14) to maintain the valuation at £25m—£20m original, plus £5m refurb cost. If it stayed at 6 1/2 per cent the value would be £28m indicating

a 53m "profit" on the refurb process; if it went to 5 1/2 per cent, reflecting better subsequent growth prospects, the numbers would be £31m and £6m respectively.

What about that much-touted 3 1/2 per cent yield for prime retail property? The facts are that 3 1/2 per cent relates to a single shop unit in an absolutely prime position. No shopping centre could be totally composed of those; if it were, it would not work.

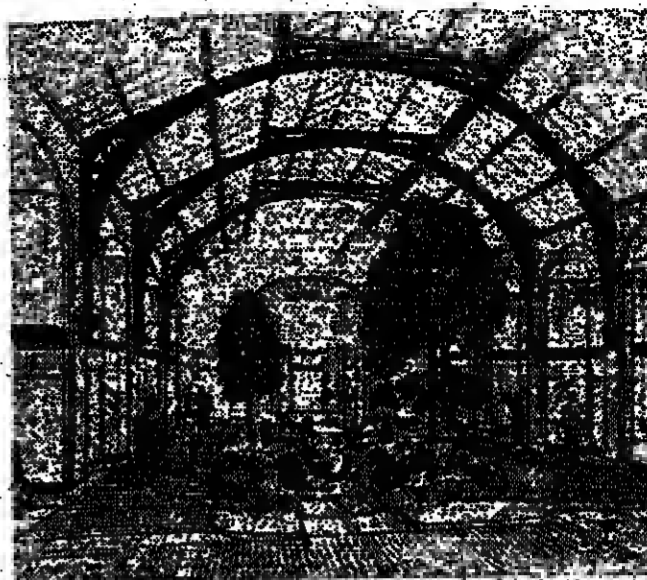
"Shopping centre management involves responsibility and scale of investment, not to mention the possibility of voids," says Mr Couch. "An institution wants a better return than 3 1/2 per cent for that." He does not see a fund investing more than £5m in one lump of prime shopping centre.

There is no guarantee that the arithmetic will work just like that. Hillier Parker recommend a reasoned financial appraisal of any potential project to be placed alongside an expert property and estates assessment.

Financial options include revision of ground leases, realisation of marriage value, merging the interests in a given centre can add up to 25 per cent to its value, says Mr Couch—extensions to produce development value, contributions from landlords and tenants, and sale and leaseback.

Estates advice could include research into shopping trends, catchment areas and retail values applicable to an individual scheme. Hillier Parker would then proceed with the production of a detailed feasibility study, in conjunction with design consultants, through negotiations with tenants and all interested parties to the execution of the refurbishment programme.

On costs, says Mr Couch, we are talking about anything between £2m and £5m for a project. "There are bigger schemes than that," he says, "but they are exceptional."



Proposed gallery in Speyhawk's refurbishment of the Pantiles, Tunbridge Wells, Kent. The £5m scheme involves restoration and some new buildings.

Town has plans for a 'mini-Covent Garden'

Local renewal: Tunbridge Wells

"THE PANTILES and its immediate neighbourhood forms a series of richly varied urban spaces where conservation is not a new concept and where over the years adaptation, preservation and repair have gradually taken place."

Thus, the Tunbridge Wells Borough Council, which in February, confirmed the appointment of Speyhawk Land and Estates as the developer of the Corn Exchange and other important buildings surrounding The Pantiles, a Georgian shopping precinct on the southern fringe of the town centre.

Mr Nigel Reid of Speyhawk notes that the town has a historical perspective, dating from the 1600s. "But certain parts of the development area," he says, "have not been looking as lively as they should."

He describes the £5m scheme as "a restoration, inevitably with some new building." In property terms it is a mixed-use scheme, the heart of which is a specialist food hall where locals and tourists should be

able to find the best fresh meat, cheese, wine, deli, delicatessen and so on. There will be a coffee house, common seating area, perhaps light catering—a sort of mini-Covent Garden," he says. There will be 6,000 sq ft of retailing, 4,000 sq ft of craft works and studios, 26,000 sq ft of small office suites, a public house, restaurant, a health and fitness spa and an auction hall.

Benefits
The council lists its planning gain, additionally, as:
(i) A new museum.
(ii) Parking facilities for 62 cars.
(iii) Improvements to the Lower Pantiles walkway.
(iv) A tourist information office on the Upper Pantiles.
The Pantiles has been described, in tourist terms, "as important as a cathedral in terms of its identity value." Speyhawk and its architects, Manning Clamp and Partners, are aiming to preserve its individual characteristics and combine them with new activities, hence the mix of the development which looks fairly intensive in commercial terms.
Consultant surveyors Donaldson and Sons, of London, advised the council.

New look for London landmark

The former Swan and Edgar site

THIS famous London department store, once the home of Swan and Edgar, was built by Higgs & Hill between 1925 and 1927 to the design of Sir Reginald Bloomfield on an island site bounded by Regent Street, Piccadilly, Air Street and Piccadilly Circus. The store became one of the most famous meeting places in the world.

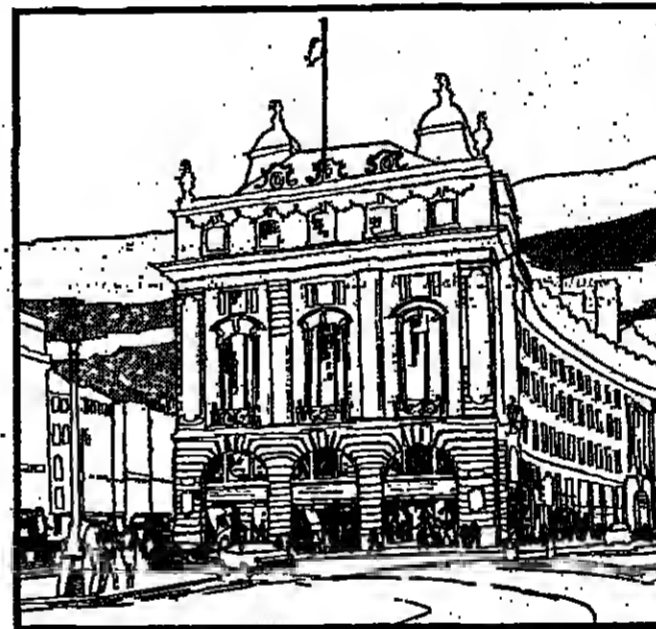
Inside, however, it was overtaken by changing fashions in retailing which have swept away a lot of multi-floor retailers in recent years.

Debenhams, the owner, eventually sold its 26-year leasehold interest to Resource Development, a Dutch development company, towards the end of 1981.

Agents Michael Laurie acted for Resource Development in the acquisition of the leasehold which was subsequently extended to 99 years in negotiations with the freeholder, the Crown Commissioners.

The firm, which joined with Sir Terence Conran last year to provide a specialist refurbishment set-up in Conran/Laurie, has "eight or nine refurbishment briefs on the go at the moment," according to the project manager, Mr Ronald Lang.

He reckons that he has spent a lot of his recent working life—"probably two days a week for the past two years"—on the Swan & Edgar project. Essentially, the plan is to create 40,000 sq ft of exciting shopping on the basement concourse



Prospect of 40,000 sq ft of shopping facilities and 60,000 sq ft of offices.

(with a busy walk-in from Piccadilly Underground station, which is itself being extensively remodelled), ground and first floors, and 60,000 sq ft of offices, largely on the second to sixth floors.

A new seventh floor is being created in the roof space to provide plant rooms (to service the office space) and an office suite. Plant rooms in the sub-basement will serve the retailing space. Gardner & Theobald, quantity surveyors on the project, list a number of other features, including:
● The roof coverings, lead and Westmoreland slate, to be renewed.
● The ornate Portland stone

face to be cleaned, windows renewed and inner windows provided to offices.

● The existing marble lined staircases to be generally retained and refurbished.

● Detailed planning of the shopping floors to be flexible, and dictated by the requirements of the lettings. Fitting out will be by the tenants' specialist contractors.

● High speed lifts will serve the offices which will be air conditioned, with false floors and suspended ceilings.

● Two stairs to be constructed from second floor upwards with spectacular planting.

● The Bank of Scotland branch, which occupies a part of the building in the corner formed by Piccadilly and Air Street, remains in its present premises, trading throughout the contract.

Responsibility

G & T, in a subject close to their hearts, note that a management contract has been specially drafted which provides among other things for the contractor—John Lellott Management Fee—to be responsible for the development of the architect's design by subcontractors and the site staff, scaffolding and plant the subject of a lump sum bid by the contractor.

Architects are the Halpern Partnership, structural engineers HI, Waterman and Partners and services engineers Donald Smith, Seymour & Rooley.

This project offers many advantages. The flexibility of the island site and two-level entry to the retailing avoids the general arguments against mixed developments. Office rents in the area are £15 to £20 a foot—and they could be higher when this element of the development is ready for occupation, early next year.

Ground floor Zone A rents could be around £10 a square foot for Piccadilly Circus shopping, £75 in Regent Street and £25 to £60 a square foot in Piccadilly. Possibilities for the concourse suggest that the normal discount for basement retailing is unlikely to apply here.

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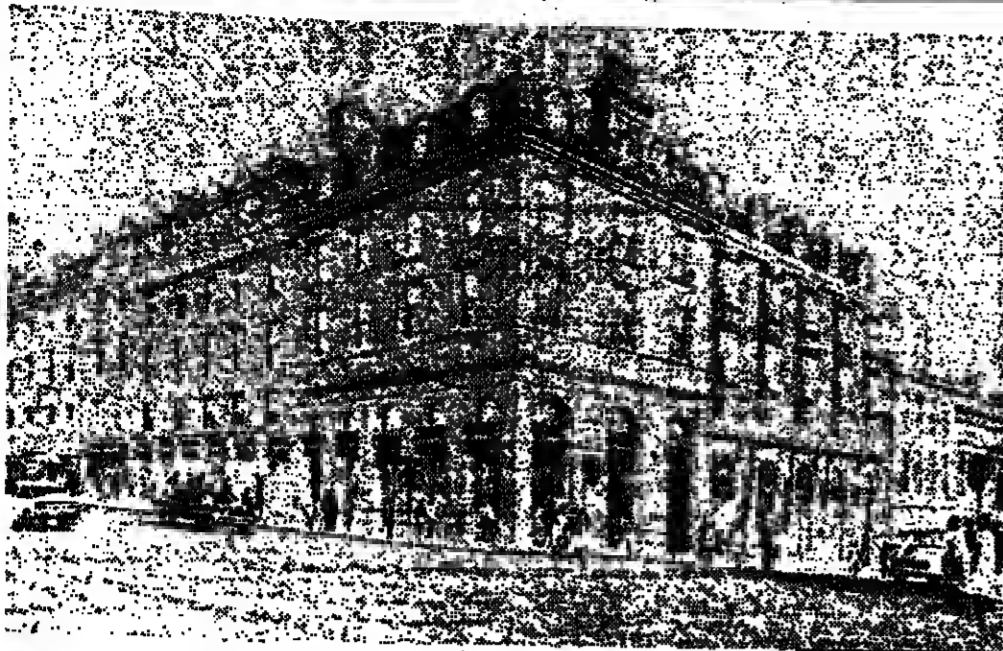
retrofit

retrofit -ret-ro-fit, v. to refurbish an existing building: modernise internal and external appearance: to update all the services and amenities (resulting in) increased market value.

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REFURBISHING V



● The House of Fraser's Aberdeen scheme which has involved the complete reconstruction of a listed building. The "flagship" store will provide 116,000 sq ft gross.

Shops under pressure to keep bright image

Changes in High Street retailing

THE CORPORATE reaction in Britain to swings in retail property fashion has been a long time coming, in some cases, and varies in its direction and intensity.

A department store used to be the nearest you could find in the UK to a covered shopping centre, but now, if it is off-pitch and short of car-parking facilities, it is fashionable to regard it as an anachronism.

In this area, major moves have included the setting up of a separate property company by Debenhams, which has also disposed of a number of stores, and last November's decision by House of Fraser, under intense and seemingly never-ending pressure from the Lorbio group, to modernise 50 of its 100 stores at a cost of £100m over the next five years.

Elsewhere, Woolworth's wholesale disposal programme, adding more malls to the coffin of the variety store format, is leading to some interesting refurbishment exercises. And even where there is a lot of money available, as in electrical retailing, fierce competition has led the Rumbelows subsidiary of Thorn EMI to announce a £25m store modernisation programme.

The fact is that shop tenants have always been expected to spend their own money in keeping their images bright. Where the owner is occupier — and a possible target for corporate raiders in the stock market — the only surprise is that some of these moves were not undertaken earlier.

House of Fraser has a history of growth by acquisition, rather than development. In so doing, it inherited a lot of old stores, which it had had to rationalise over the years.

APC, with its subsidiary PMI the biggest firm of independent project managers in the UK, has been totally responsible for the project management of eight schemes for House of Fraser.

Costly
Projects at Bromley, Maidstone and Chichester have been completed; one at Epsom, part of the Bredero scheme, is nearly finished; major projects in Aberdeen and Edinburgh are in progress; and two more, at Tunbridge Wells and Preston, are in the study stage.

Derek Chapman, founder and senior partner of APC, says that Aberdeen is the most complicated and costly, with a complex, value something in excess of £7m.

"Fraser had an old store there which was too small and relatively old fashioned," he says. "It needed refurbishment, but it was in the right location."

Fraser acquired two adjoining buildings in and near the prime Union Street shopping area — one an impressive corner hanking site — received change-of-use permission and set APC off.

The scheme involves listed building status, total rebuilding of part of the development — which has had to be taken down stone by stone and stored and rebuilt in the same style and character as the listed building. House of Fraser should emerge with a northern "flagship" store of 116,000 sq ft gross, in a city where there is plenty of money around.

In Edinburgh, Arnotts on North Bridge had become off-pitch. House of Fraser owned that, but not the old Carlton Hotel next door. So it bought the hotel and decided to turn the whole building into the new Carlton Highland Hotel which will have 217 bedrooms (against 94 before), public area space, 11 shops on the ground floor and a swimming pool and leisure centre in the basement areas.

Scottish Highland Hotels is to take a lease on the Carlton from House of Fraser which will give profits participation to the latter. The shop units will be specialised, and separately let.

Mr Andrew Russell, seconded to the Department of the Environment from top industrial estate agents King and Co., notes an increasing tendency among developers to ask for assistance on marginal projects — "we are now quite extensively involved in the conversion of old industrial property," he says.

Old factories and warehouses are being converted, not only into industrial units and workshops but into residential property as well. For example, in Nottingham the DoE has approved a proposal which involved the construction of 52 new houses, and the conversion of a disused factory into 52 flats. The project cost was £4.5m, of which the private sector was able to put up £3.89m under normal business criteria. The balance was allocated from urban development grant as a sort of pump-priming exercise.

In Bradford, three redundant, listed mills have been converted into residential and commercial uses in a project which cost £3m, of which the private sector contribution was just over £2.4m.

New lease of life for old mills

DEBENHAM TEWSON & CHINNOCKS, in their publication "High-tech — myths and realities," set out to refute the notion that modern industry must have futuristic premises.

"In reality . . . they said, "a large number of knowledge-based companies operate perfectly adequately from a wide range of property which was not designed to meet their specific requirements."

DTC's survey revealed that garden sheds, converted garages, wartime nissen huts, standard industrial units, converted textile mills, as well as country mansions and their outbuildings, were all being satisfactorily utilised to house various activities of knowledge-based companies.

At a less cerebral level, J. Bradbury, at Uppermill on the boundaries of Lancashire and Yorkshire, between Oldham and Huddersfield, has converted most of its redundant Alexandra Mill to other uses.

"Part has been left off to a spinning mill," says Mr Peter Bradbury, "and the remainder of the five storey mill, part of the complex, has been left to small industrial units."

Meanwhile, the office block and wool warehouse have been converted into a craft centre where 30 individual tradesmen — carpenters, artists, potters and others — aim to make a living.

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● MANAGERS' offices and conference rooms (left) at the relocated London offices of the First National Bank of Chicago.

On the right is a section of the bank's dealing room. Office Planning Consultants were instrumental in relocating the bank's premises in the heart of Covent Garden. The building was designed by Richard Seifert Partnership and developed by the Metropolitan Estate and Property Corporation. OPC won the First Chicago contract against stiff international competition from both British and U.S. architectural practices. The project was completed to a formidable time scale, but

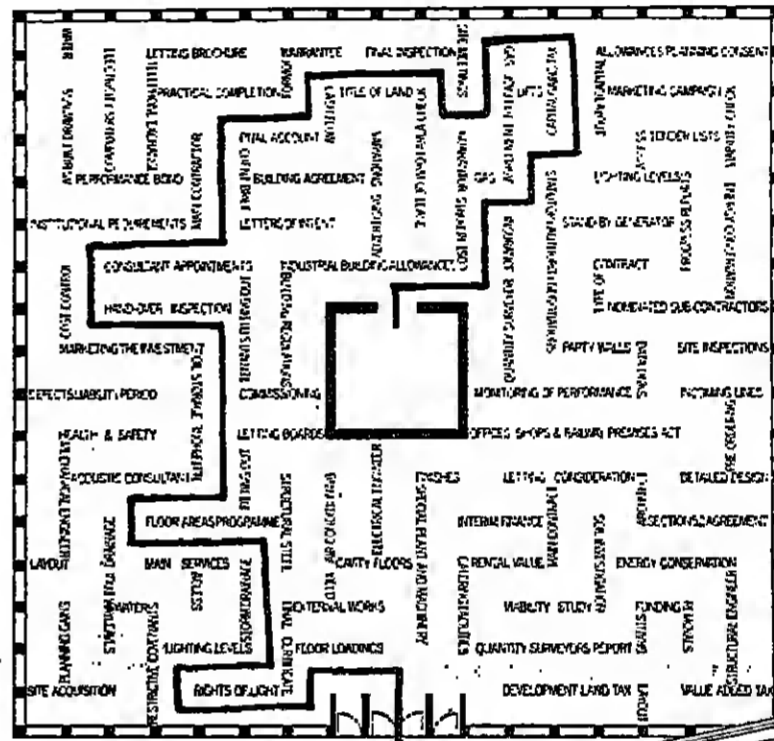


throughout the re-location and refurbishment, First Chicago was able to operate smoothly with little disruption to business.

New technology in the dealing room is such that the bank can fairly claim to have one of the most advanced centres of its kind in the world.

Contractors and suppliers for the scheme included Tarmac Sebal (site management); Andrews Weatheroil, and Trompe Bywaters and Anders (air-conditioning); Templar Interiors (partitions/doors); Horsmans, and Brew and Co (joinery); Cameleon and Grant Taylor (communications).

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Town that is keeping its character

SOME TOWNS do not want modern, enclosed shopping centres. A plan for St Albans in Hertfordshire, where the architectural effect of the proposed giant (and eventually aborted) scheme in the 1970s "scared people to death," according to Henry Humphreys, independent consultant to the St Albans District Council, is a case in point.

"This was a case where development had to be carried out without being obvious," says Mr Humphreys. The result was a phase plan for the Chequer Street comprehensive development area which, in toto, includes 170,000 sq ft of shopping to be developed by Bredero, the design of architect Ken Rees of the Renton Howard Wood Levin Partnership.

Phase one, which has been completed, includes only 30,000 sq ft of shopping gross of stor-

age and about 6,000 sq ft of offices. It takes in a lot of refurbishment, which costs about one-third of the total phase one bill of £5m.

The team found itself refurbishing buildings which dated from the 16th century, in part, to late Victorian. At 24-26, Chequer Street, what was once a brewery — and then became a cinema before World War I — presented more than its fair share of problems.

Dry rot
"The building was riddled with dry rot," says Mr Humphreys. "All the main roof trusses were affected at bearing points where they sat on the wall plate (also riddled), so the building was supported on its internal partitions alone."

Bredero found seven wells on the site, all around 200 ft deep. The council was told that there

was no way that the building could be refurbished, as it was. However, the trusses were sent to Mr Peter McCurdy who specialises in refurbishing roof trusses at his centre at Manor Farm, near Reading, Berkshire — "they 'scarfed' them," says Mr Humphreys, indicating a sort of wooden transplant.

"Then we found the walls had no foundations," he says. "They were built straight on the earth. We had to pull down the lot and the building was totally rebuilt using the old materials and the old roof tiles."

"Initially, I was horrified," says Mr Humphreys. "I thought there was no way that the building could be preserved."

It is the policy of the District Council and the Hertfordshire County Council to ensure that where any new development

takes place, it should be carried out in sympathy with the established character of St Albans.

To Mr Humphreys, this meant "a total gut and restructure in parts of Chequer Street, but in a fashion which has not meant redesign." The designers have also been under pains to maintain the "grain" of the town which runs at right angles to Chequer Street and is typified by a profusion of pedestrian alleys running from east to west.

The result, so far, is extremely pleasant, especially in the office suites which would drive the proponents of wide open space and "operational efficiency" to tears.

Whether the town will benefit in monetary terms from open shopping is an open question. But it is hard to measure the quality of life in those terms.

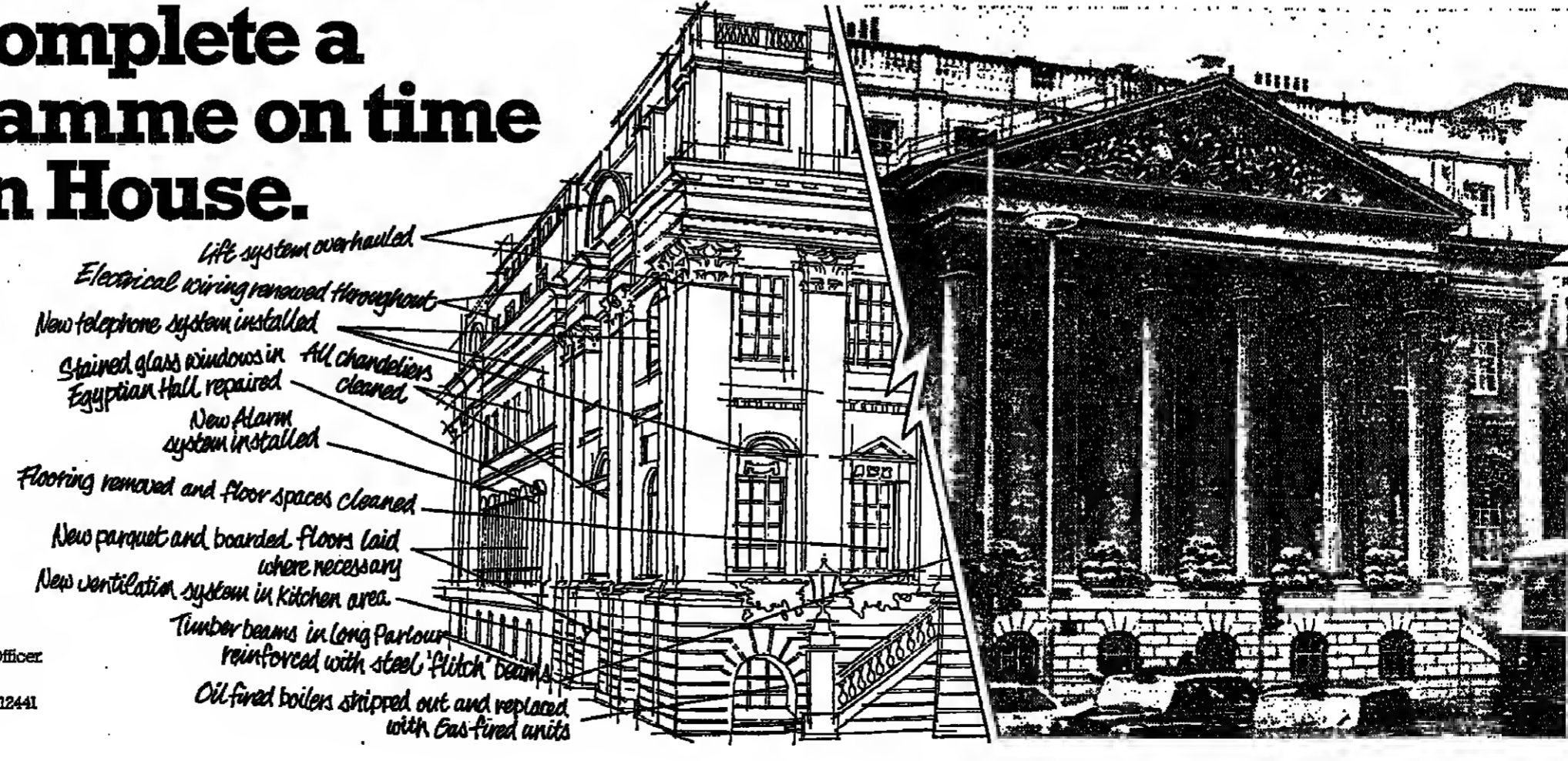
French Kier complete a 12 week programme on time at the Mansion House.

The £1 million 12 week renovation programme supervised by French Kier Refurbishment, the Main Contractors, at the Mansion House last summer could hardly have been tighter. The 52 scheduled operations included laying over 8,000 metres of new conduit and 80,000 metres of cabling, as well as replacing four oil-fired boilers. Major problems included the disposal of large quantities of asbestos, much of it revealed behind panelling and under floors as the work proceeded.

The timber beams in the Long Parlour were reinforced with steel 'flitch' beams to correct a progressive bowing of the floor and the complete programme was accomplished on schedule.

Apart from the Mansion House, where French Kier have been involved for three consecutive years, work was carried out concurrently on two other notable City landmarks, namely The Old Bailey and The City of London School.

FK FRENCH KIER REFRUBISHMENT
A division of French Kier Construction Ltd.
Client - Corporation of the City of London
Architect - Department of the City Architect and Planning Officer.
Mead Industrial Park, River Way, Hazow, Essex CM20 2DR. Telephone: 0279-42441
London Office: Contact Cynl Hackett, Cromwell House, Fulwood Place, High Holborn, London WC1V 6RZ. Telephone: 01-404 0812.



UK COMPANY NEWS

MINING NEWS

Extra £180,000 for T & N chairman

UNDER HIS agreement with the company's bankers, Sir Francis Toms, chairman of Turner and Newall, received an additional fee of £180,000 (£72,000 net of tax) in respect of 1983. His emoluments came to £51,107— he has no pension provision.

6.5m shares in the company, equal to just over 5 per cent of the capital. In his annual statement the chairman reaffirms his expectation of a current year's profit at least 50 per cent higher than the £12.5m achieved in 1983. That compared with a loss of £19.3m in the previous year.

capital levels, but most from the increasing profits. The UK group has pulled up its working capital ratios to a very good level compared with historical standards. Although some further improvements remain to be made, the efforts of 1983 have reduced UK working capital by £19m.

encouraging progress" continues to be made with asbestos-based substitution in all asbestos-based products except high pressure pipes and some textiles. Ferodo has established a strong position in non-asbestos friction material in Europe, as has Nuturn in America.

Edinburgh Securities losses deepen but dividend maintained

HIGHER exploration expenditure write-offs and increased losses by its associates pushed the Edinburgh Securities Company deeper into the red in 1983. At the pre-tax level the USM group, engaged in oil and gas exploration, production and investment, incurred a deficit of £1.5m (£994,000) but as predicted at mid-year is holding its dividend at 0.15p net per 25p share.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-dividends shown below are based mainly on last year's results.

Table with columns: Company Name, Meeting Date. Includes: Fitch and Co., Ingulf Industries, Murray Electronics, Reglan Property Trust, etc.

Strong showing from Deelkraal

THE CONTINUED depreciation of the rand against the U.S. dollar helped South Africa's gold producers once again in the three months to the end of March, the latest figures from the mines in the Consolidated Gold Fields group show.

Apart from the strong showing from Deelkraal, the best performance among the mines in the Gold Fields group came from the two better-quality mines, Driefontein Consolidated and Kloof. This is as expected at a time when there has been little help from the gold price.

The mines, the first in the current quarterly reporting season, managed a small increase in overall net profit to R168.5m (£86.2m), against the R158m for the December quarter. This rise was attributable largely to the fact that the continuing weakness of the South African currency relative to the U.S. dollar meant that the mines received a higher price in the all-important local currency, even though the gold price in dollar terms was broadly unchanged between the two periods.

Like Deelkraal, Kloof also received a payment under its loss of profits insurance—in respect of the December quarter, although here the payment was only of R800,000.

In addition, the mines made substantial gains on the money markets during the latest period, a time when the group's gold producers are traditionally more than usually liquid.

Elsewhere in the group, the older and more marginal mines generally retained lower prices, with the exception of Venterspost. This operation, helped by a slight increase in the gold price, posted better profits, even though the mine reversed its previous quarter's credit of R543,000 from the state assistance scheme pending a final decision on the scheme's future from the authorities.

Blue Arrow on its way to the Unlisted Market

Blue Arrow, which has interests in travel and staff recruitment, has approached the Stock Exchange with a view to selling a quotation on the Unlisted Securities Market this summer.

Wankie earns more but passes its dividend

FOR the first time in many years the Anglo American Corporation group's Wankie Colliery in Zimbabwe is passing its dividend.

ESCOM Electricity Supply Commission advertisement. Includes logo, company name, bond details (DM 150,000,000, 8% Bearer Bonds of 1984/1992), and a list of participating banks.

Exploration expenditure write-offs were up from £463,000 to £772,000 and were mainly attributable to Edinburgh and Dallas Petroleum.

The share of losses of associates, Sanjoo and Bearcat Explorations (UK), rose by £72,000 to £148,000. There was also a realised loss on investment sales of £232,000 (£173,000).

As a result of successful exploration drilling in the latter half of 1983, the group's monthly oil and gas revenues have more than tripled beginning in 1984. Furthermore, its ventures in North America are now producing cash flows sufficient to self-finance the planned exploration programmes.

Attention is once again being directed towards the investment and oil finance activities where success has improved markedly. Given the group's debt-free balance sheet and unused credit facilities, the directors look forward to an active year in this area.

Group turnover for 1983 declined from £102,000 to £86,000. Loss per share rose by 2.13p to 10.43p after taking in lower tax credits of £37,000 (£27,000) and minorities.

The accounting policy adopted by the group, writes off all the costs relating to a non-productive well in the year in which it is recognised as unsuccessful, and only the book cost of each well completed for production is transferred to oil and gas properties.

An independent valuation of oil and gas properties will take place shortly, and will be included in the interim report for the current year.

The directors are of the opinion that the value of the group's producing properties is significantly in excess of balance sheet values.

The longer term, Blue Arrow plans to use its equity to buy a specialist contract cleaning company—an activity dear to Mr Barry's heart.

Historically, earnings in the past year to February 29 picked up sharply in the second half to come out at £23.84m (£2.58m) compared with £22m in 1982-83 when there was a 15 per cent credit for coal stocks of £29.8m.

Pre-tax profits reached £191,000 on a turnover of £14.6m in the year to last October, following several years in which the group made losses while it pulled out of a range of unprofitable or peripheral businesses, including advertising, printing and estate agencies.

Earnings for the latest dividend year equal 3.1 cents per share. This on the capital base of 82.2m shares by the issue in December, 1982 of 16.8m new, fully and partly-paid, "A" shares to the Zimbabwe Government.

Out of BOC Group's 47,000 shares £10,000 (22 per cent) elected to take the cash alternative instead of cash on the final dividend for the year ended September 30, 1983—the alternative offered one new share for every 85 shares already held.

Wankie's decision to pay a dividend for the past year has been prompted partly by the need to conserve finances for loan repayments and interest of some £22m due in the current year and partly by the problems at Zimbabwe's new Bwange power station.

In total, shareholders made elections in respect of 17,138,525 shares (4.4 per cent of the total number in issue), resulting in the issue of 201,895 new shares. The new investment by shareholders has resulted in a saving for the group of £875,000, being £18,000 in respect of dividends and £282,000 in respect of A.C.T.

Wankie must assume that its coal deliveries this year to the ESC will be significantly reduced compared with the expectations on which the colliery's expansion programme was based.

Pre-tax profits of Scottish Metropolitan Property increased from £3.07m to £3.28m for the six months to February 15 1984. The net interim dividend of this property owning investor has been lifted from 1.5p to 1.9p.

Wankie adds that it will be necessary to make financial adjustments in terms of the coal price agreement. Wankie shares were unchanged at 1.5p after the announcement yesterday.

In the last full year a final of 2p was also paid. Along with the interim results the directors say that they anticipate being able to recommend an increase in the final payout for the current year.

County Bank First Business Expansion Fund has invested 75.5 per cent of the £1.2m in the tax year to April 5 1984.

Net revenue from properties for the six months rose from £3.26m to £3.47m to which other income added £516,000 (£443,000).

When County Bank launched the Fund last November it was

Tax amounted to £1.47m (£1.49m).

Barclays Merchant Bank Limited, 15/16 Gracechurch Street, London EC3V 0BA

ENERGY RESOURCES & SERVICES INCORPORATED. Net Asset Value 31st March 1984 \$8.15 per share (unaudited)

de Zoete & Bevan, 25 Finsbury Circus, London EC2M 7EE

STOCKHOLDERS FAR EAST INVESTMENTS INC. Net Asset Value 31st March 1984 \$2.84 per share (unaudited)

10th April, 1984

Pan-Holding. Société Anonyme Luxembourg

HOME CHARM PLC. (Registered in England No. 589383)

As of March 31, 1984, the unconsolidated net asset value was US\$167,607,464.01, i.e. US\$239.44 per share of US\$50 par value.

Issue of £17,018,527 7 per cent Convertible Unsecured Loan Stock 1997/2004

The consolidated net asset value per share amounted, as of March 31, 1984, to US\$243.27.

The above mentioned Stock, allotted by way of rights, has been admitted to the Official List of the Council of The Stock Exchange.

Sal. Oppenheim jr. & Cie. Bankers since 1783. Summary of our Annual Report 1983. Table with 1982 and 1983 data for Business Volume, Total Assets, Deposits, Bills and Advances, Capital, Consolidated Total Assets.

Morgan Grenfell & Co. Limited, New Issue Department, 21 Austin Friars, London EC2N 2HB

de Zoete & Bevan, 25 Finsbury Circus, London EC2M 7EE

BIDS AND DEALS

Hanson U.S. bid rebuffed

Hanson Trust, the UK industrial group, was rebuffed by the board of U.S. Industries for the second time yesterday after raising its offer for the Connecticut-based company to \$23 a share (£16).

U.S. Industries said that a special committee, of the board, set up to consider the sale of the company, had recommended that it should enter into negotiations on a rival leveraged buyout plan.

Under these proposals, Kelso and Company, a New York investment bank, is offering \$24 a share for U.S. Industries in a deal which would give the management of the company a significant equity stake.

The committee said that it had considered the revised offer from Hanson Industries (the U.S. subsidiary of Hanson Trust, which had raised its initial bid from \$22 a share).

Hanson said that its offer, which values U.S. Industries at \$466m (£326m), would be subject to normal conditions, but not conditional on any minimum number of shares being tendered. It also had adequate internal resources to fund the offer, and had received commitments from several financial institutions.

The battle for U.S. Industries, a diversified group with interests in industrial products for the motor industry, building materials, furniture, furnishings and clothing, was sparked by the launching of the leveraged buyout proposals in February. In the initial bid, Kelso offered \$20 a share for the company, but this has now been revised since the appearance of Hanson's rival proposals last week.

In a normal leveraged buyout, the existing management retains its position in return for putting up some equity capital. Friendly buyouts of this kind have become commonplace in the U.S. over the last year, and it has also become normal procedure to set up an independent committee of directors to consider rival agreements.

For shareholders, one consideration in bid battles of this kind is that a leveraged deal which requires large amounts of debt, often takes longer to mount because of the complex financing involved.

Petrocon forecasts £0.7m

In a letter that will accompany the document giving details of the offers for Drilling Tools Holdings and an acquisition by Swire Petrocon, the board of Petrocon Group state that during the second half of 1983, results benefited from an increase in activity in the UK and they estimate that pre-tax profits for 1983 will amount to not less than £700,000.

The board expects to recommend a final 2.5p net making a same-again 3.75p total.

Pre-tax surplus of Drilling Tools, for the six months ended September 30 1983, amounted to £15.71m.

The board of Drilling Tools estimates that profits, before tax, write-off of goodwill and expenses relating to the offers, for year ended March 31 1984 will amount to not less than £250,000, which compares with £1.25m for the previous year.

Petrocon intends to integrate Drilling Tools rental activities in the UK with those of Offshore Drilling Supplies under a new name, Petrocon Drilling Tools.

Swire Petrocon, an associate jointly owned with Swire Group, yesterday completed the acquisition of certain of the assets of United Oilfield Rental Group of Hong Kong, a subsidiary of Private Investment Company of Asia.

This transaction includes all the fixed assets of United Oilfield Rental Group in Thailand and Malaysia, as well as other selected equipment in Singapore. The assets consist mainly of rental tools which will complement the range of drilling equipment already owned by Swire Petrocon.

In addition, Swire Petrocon has acquired United Oilfield Rental Group's operating subsidiary in Thailand, whose main business comprises an oilfield machine shop at Sattahap.

The assets acquired had a book value at December 31 in excess of US\$2.5m, in return for which Pica is to take a 10 per cent equity holding in Swire Petrocon.

As a condition of the transaction, the Enterra Corp. of the U.S. has exercised its right to acquire a shareholding in Swire Petrocon in consideration for which it has agreed to transfer Rental Tools to the value of US\$4m to Swire Petrocon.

Following completion, Petrocon, the Swire Group and Enterra each will hold 30 per cent of Swire Petrocon with Pica holding the remaining 10 per cent.

NEI to acquire DAC

Northern Engineering Industries has agreed with BIOC to purchase DAC, a manufacturer of intrinsically safe and flameproof communication and control equipment for application underground within the mining industry, together with certain designs and assets of GBS Harrogate. This company is associated with remote control and monitoring equipment, also used within the mining industry. The total value of the assets to be acquired is approximately £2m.

DAC employs 200 people in Burton on Trent and NEI intends to continue operations there, as a business unit of NEI Equipment, a recently formed company comprising Baldwin & Francis, Reynolds, Beimos, Mackloy Rumps and Clayton Equipment.

"NEI Mining Equipment" also promotes the sale of other NEI equipment such as flameproof motors and transformers, winders and haulages and surface switchgear to the mining industry.

This acquisition which is in line with NEI's overall strategy in strengthening its involvement with the mining industry, will enable NEI Mining Equipment to play a significant role in the growing development of surface to mineface communications and in the improvement of equipment control and monitoring procedures, both at home and overseas.

BIDS AND DEALS IN BRIEF

West Midlands Enterprise Board and the Metropolitan Borough of Sandwell have combined to invest £200,000 in West Bromwich based R.B.M. (Road logs), postal delivery buildings, plastics and traffic signs company.

The directors of Amalgamated Estates intend to continue the rationalisation commenced last year with a view to improving the quality of the company's portfolio and further reducing its overheads.

Directors also believe that the company is in a position to investigate opportunities to broaden and strengthen its equity base by making appropriate acquisitions.

The company has been notified that as from April 4 last Doveabutus is interested in 2.2m ordinary shares.

Shareholders of The Birmingham Mint have approved resolutions for the acquisition of the electrical contacts business of the Sheffield Smelting Company and increase in the borrowing powers.

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R.C. Luxembourg

NOTICE OF MEETING

Shareholders are invited to attend an extraordinary general meeting of shareholders to be held on April 27th, 1984 at 14.00 hours at the registered office of the Company, 14 rue Aldringen, Luxembourg, with the following agenda:

- Increase in the authorised capital by 5,000,000 additional shares with a par value of US\$ 2.00 so as to raise the total authorised capital from US\$ 10,000,000 to US\$ 20,000,000.
- Authorisation to be conferred upon the Board of Directors of the Company to render effective such increase in capital in whole or in part from time to time upon such terms and conditions as the Board of Directors shall deem appropriate.
- Insertion of a new paragraph 1 to Article 5 of the Articles of Incorporation, with the following wording to provide for such authorised capital:
"The Corporation has an authorised capital of US\$ 20,000,000 (twenty million U.S. dollars) to consist of 10,000,000 (ten million) authorised shares of a par value of US\$ 2 (two U.S. dollars) per share."
- Amendment to paragraph 2 of Article 7 of the Articles of Incorporation to grant to the Board of Directors all the powers necessary to render effective the issue of the authorised capital with a waiver of any preferential subscription rights in favour of the existing shareholders.
- Election of two additional directors to the Board of Directors of the Company.
- Election of a statutory auditor.

Resolutions on the above-mentioned agenda will require a quorum of 50 per cent of the shares present or represented and a majority of two-thirds of the shares present or represented. Resolutions on items 5 and 6 shall require no quorum and are passed with a simple majority of the shares present or represented at the meeting. Shareholders may vote at the meeting in person or by proxy if their names are entered into the register of shareholders on the opening of business on the day of the meeting. All proxies shall reach the Company three clear days before the meeting.

By order of the Board of Directors

Hazlewood in £3.75m move into new areas

Hazlewood Foods is expanding out of the pickles and sauces business with two acquisitions worth £3.75m, payable in paper.

They are Beaverlac (Fine Foods), a Hull-based manufacturer of heavy fruit cakes, and Crispa Produce, a grower of cress and bean sprouts.

Beaverlac, with net assets of £1.13m, made £0.45m on sales of £2.06m in the 10 months to February 4 1984. Crispa, which has net assets of £1.33m, earned £0.33m on sales of £5.38m during 1983.

Both acquisitions—for £1.74m and £2.01m respectively—will be settled by the issue of Hazlewood shares which will not rank for a final dividend of 6.75p set for the year ended March 31 1984 just announced. This raises the total for the year to 11.5p.

The directors estimate that Hazlewood's pre-tax profits for the year increased by about 45 per cent to at least £3m. After tax and minorities the net profit is estimated to have increased from £1.63m to £2.6m, giving earnings per share of not less than 38.7p (28.7p).

Beaverlac and Crispa will operate as separate profit centres under the control of their existing managements.

The acquisitions are subject to shareholders approval at an extraordinary general meeting on April 30.

Hazlewood's shares rose 30p to 580p.

Hawley comes up with a reshuffle

BY CHARLES SATCHELOR

Mr Michael Ashcroft has reshuffled parts of his Hawley Group cleaning, travel and home improvement empire in four deals announced yesterday.

Hawley yesterday bought about 10.5m shares in Kean and Scott, its home improvement subsidiary, at 60p each. Its offer will remain open today with the total target for purchases of 12.5m. This would take the Hawley holding to 75 per cent from 65 per cent.

K & S's shares rose 7p to 61p yesterday while Hawley firm up to 86p ex dividend.

Hawley also yesterday bought 1.86m shares in Black & Edgington, its camping equipment and tour operating subsidiary at 110p per share. This achieved Hawley's aim of raising its stake to 75 per cent from 50.1 per cent.

B & E's shares rose 8p to 112p.

In a third transaction Hawley said that Finarab Investment Company, a Netherlands Antilles-based company owned by Saudi Arabian and other Middle East interests, had bought 600,000 shares (or 14.75 per cent) of L. D. & S. Rivlin, the household textiles and kitchen and bedroom furniture supplier. Rivlin's shares rose 12p to 99p.

This share stake was composed of 287,500 shares from Hawley and 312,500 from British Car Auctions. Hawley and BCA have also agreed to vote their remaining combined holding of 15.5 per cent as Finarab may direct for 15 months or the period for which the shares are held, whichever is the shorter.

The Hawley/BCA stake in Rivlin has been built up since Rivlin came to the USM in April 1983 after a five-year suspension from Stock Exchange trading.

Mr Ashcroft said: "These deals will enhance our earnings per share while keeping our options open. The purchases of K and S and B and E shares are a good investment. Why should we not buy further shares in the companies we know best? We have gone as far as we wish to go."

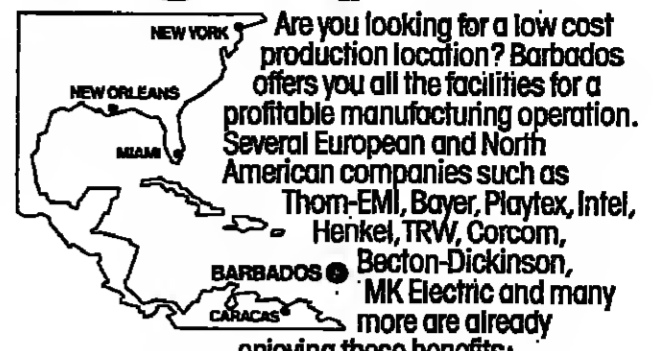
The fourth deal to be announced yesterday was the sale of B&E's tent hire activities to its management for £276,000. Black & Edgington Hire has been taken over by Black & Edgington Industries, a newly-formed company set up by Mr Alastair MacAdam and Mr Jim Smith. Hire's executive directors, Midland Bank and Capital Ventures provided financial support.

Hire incurred pre-tax loss of £181,000 on turnover of £2.4m in 1983. It had net assets of £476,000 at December 31.

B&E has also agreed to treat outstanding debt of £1.1m of Hire as a secured interest-bearing loan repayable no later than 1990.

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BARBADOS INDUSTRIAL DEVELOPMENT CORPORATION
14 Avenue Lloyd George - 1050 Brussels - Belgium
Tel. 32-2-648 1026 - Telex 63926.

Name _____
Position _____
Product _____
Company _____
Tel. _____
Address _____

"As a service business, we must continue to innovate and develop in line with the needs of our clients."

John Padovan, Chairman of County Bank Limited

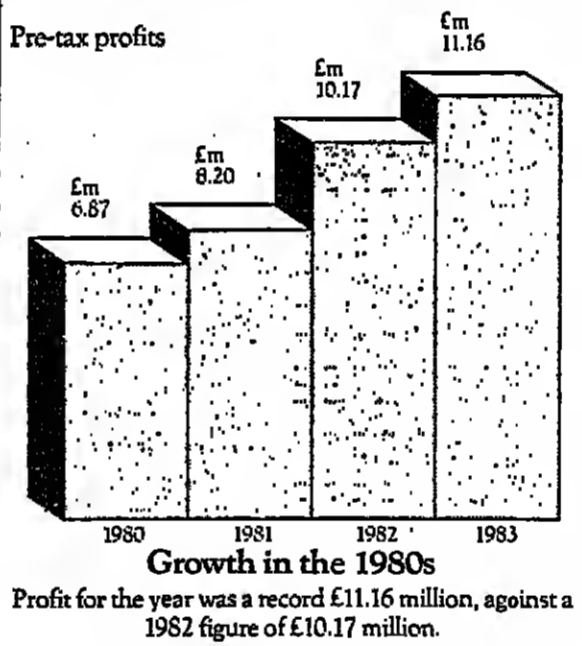
HIGHLIGHTS FROM THE 1983 ANNUAL REPORT

CORPORATE ADVICE

- Fee income reached a record level, as did the number of transactions initiated and handled which took place at an average rate of nearly two a week.
- Our client base in terms of listed and unlisted companies, public sector corporations and other entities is now one of the largest in the City.
- We continued to be the leading sponsoring merchant bank of issues on the Unlisted Securities Market.

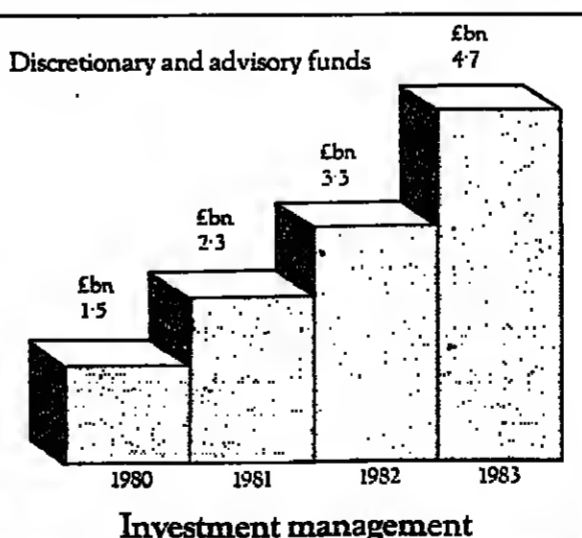
INTERNATIONAL

- During the year, we managed or co-managed 89 issues in the international capital markets, having a total value of US\$9.9 billion.
- We continued to play a leading role in the development of the "bulldog" market. During 1983, we managed seven out of the ten bulldog issues, lead managing two.
- We managed 16 out of the 19 eurosterling bond issues in 1983.
- In addition to our overseas offices in New York and Dubai, we opened a representative office in Tokyo during 1983 and have recently opened another in Singapore.



INVESTMENT MANAGEMENT

- The value of funds managed or advised increased to £4.7 billion. We gained ten new UK pension fund clients during 1983.
- We currently manage 59 UK pension funds and 32 international funds.
- As of December, four of the 12 authorised unit trusts of County Bank Unit Trust Services were in the sector leader tables.



FINANCE

- Our term lending commitments rose from £470.5 million to £505.2 million. £172.5 million was raised on behalf of clients by way of loan syndications.
- We were again extremely active in the provision of development capital in the UK. To date we have provided £80 million in support of investments in 160 companies. We continued to be the leading merchant bank in management buy-outs; over the last three years we have financed more than 40 such transactions.
- During 1983, County Bank Lease Management arranged the lease portfolios of over 30 lessor clients.
- Our teams of industry specialists, covering the major sectors of the economy, further developed our range of financing services to meet the changing needs of our clients.

TREASURY

- Lending to UK local authorities reached record levels.
- During 1983, we introduced Discounted Sterling Certificates of Deposit to the London market.
- We developed a forward interest rate cover service for our clients.

COUNTY BANK

London • Birmingham • Leeds • Manchester • Edinburgh • New York • Tokyo • Singapore • Dubai

If you would like a copy of the Accounts and Review of Operations 1983, please write to or telephone: Sharon Davies, County Bank Limited, 11 Old Broad Street, London EC2N 1BB. (Telephone: 01-638 6000)

Companies and Markets

BIDS AND DEALS

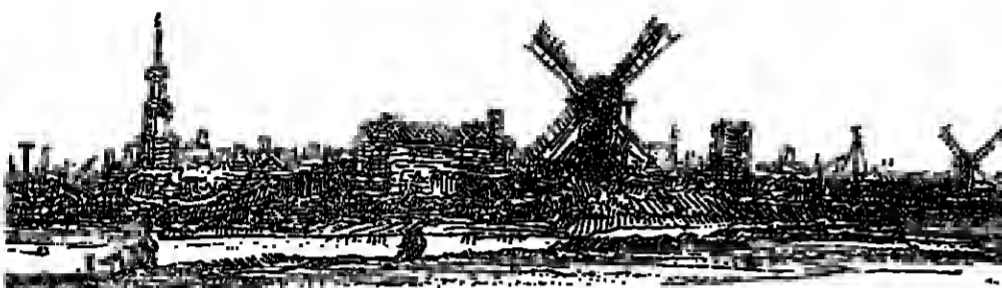
Rabobank 1983.

Key Figures as of December 31, 1983. (in millions of Dutch guilders).

Table with financial data for Rabobank 1983, including Total assets (118,286), Total loans (74,038), Total deposits (89,178), etc.

Rabobank Nederland, International Division, Crossstraat 18, 3521 CB Utrecht, the Netherlands. Tel: 402200.

Representative Office London, Princes House, 95, Gresham Street, London EC2V 7NA, United Kingdom. Tel: (01) 6864361. Telex: 879298.



Readicut chairman rejects Joe Hyman

A WRITTEN request by Mr Joe Hyman for "immediate" appointment as a director of Readicut International has been rejected by Professor Roland Smith...

BSC sale to Babcock

Babcock International has agreed in principle to acquire Pipework Engineering (PEI), a pipework fabricator from the British Steel Corporation.

Becker and Macpherson battle on

THE SWEDISH paints group Becker has rejected defence arguments over its £13.6m cash bid for the UK Cover Plus paints manufacturer Donald Macpherson Group.

In a letter to Macpherson shareholders just days before the bid is due to expire...

He says that Macpherson's recent losses make it poorly placed to compete in European markets...

"no impact on our defence platform whatsoever."

He said that the company's gearing was "well under control and we don't expect it to be significantly higher this year."

Mr Chester yesterday responded by describing Mr Hyman's overall reaction to his defence as "rather feeble" and making

Evered cash alternative raised for Brockhouse

THE LEAP-FROGGING battle to acquire Brockhouse, the loss-making West Midlands engineering, ended last night when Evered Holdings...

Evered had earlier bought 20,000 Brockhouse ordinary shares at the increased price...

The terms of the principal equity bid comprise 17 Evered new ordinary shares for every 30 existing Brockhouse ordinary shares...

Now there is every likelihood that this latest bid will be topped again...

Caparo had earlier amended the terms of its own cash alternative, originally worth 46.8p...

The battle for Brockhouse started in January when Brockhouse rejected an offer from Caparo to inject £5m of new money...

The leap-frogging subsequently continued with an offer worth 49.2m from Caparo.

Brockhouse's share price last night rose 4 1/2 to 55p.

BIDS AND DEALS IN BRIEF

Mr Jim Raper's St Piran group has raised its stake in Benjamin Priest, the West Midlands engineering concern...

Following agreement with American Seating Company, Wagon Industrial Holdings has acquired the remaining 25 per cent interest to Amisco for £1.5m and now owns 100 per cent.

Sheffield Brick has sold the business and certain assets of its manufacturing subsidiary to S.W. Fabrications for £400,000 cash.

Vantona Vitella's offers for F. Miller (Textiles) have been accepted in respect of 27,591,209 ordinary (95.3 per cent) and 485,452 preference (67.52 per cent) shares...

The following proposed mergers are not being referred to the Monopolies Commission...

Three City institutions, Equity Capital For Industry, County Bank and Grosvenor Development Capital, have invested £870,000 in Visions, the fast-growing video-editing company.

SHARE STAKES

Joe Holdings - Following further market purchases, discretionary clients, non-discretionary clients and associates of John Carrington and Co. now hold collectively 1,275,076 ordinary shares (20.7 per cent).

C. A. Sperati - Cyril L. Barnard has acquired 6.6 per cent of the ordinary capital.

ICP Holdings - Mr D. M. Rhead exercised his option to acquire 68,000 ordinary and has also sold the same number of shares.

Howard and Wyndham - C.A.B. St. George has acquired a further 60,000 ordinary and is now interested in 300,000 ordinary shares (7.08 per cent).



Gold Fields Group

MARCH QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa.

Table for Driefontein Consolidated Limited showing operating results for Gold-East Driefontein and Gold-West Driefontein.

Table for Vlakfontein Gold Mining Company Limited showing operating results and financial results.

Table for Kloof Gold Mining Company Limited showing operating results and financial results.

Table for Venterspost Gold Mining Company Limited showing operating results and financial results.

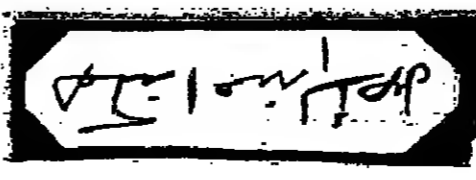
Table for Doornfontein Gold Mining Company Limited showing operating results and financial results.

Table for Deelkraal Gold Mining Company Limited showing operating results and financial results.

Table for Libanon Gold Mining Company Limited showing operating results and financial results.

Table for Venterspost Gold Mining Company Limited showing operating results and financial results.

NOTE: Copies may be obtained from the United Kingdom Registrar: Hill Samuel Registrars Limited, 6 Greencoat Place, London, SW1P 1PL.



NEW YORK STOCK EXCHANGE 34-36
AMERICAN STOCK EXCHANGE 35-36
U.S. OVER-THE-COUNTER 36-37
WORLD STOCK MARKETS 36
LONDON STOCK EXCHANGE 37-39
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SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday April 10 1984

WALL STREET The discount rate shadow dominates

FINANCIAL MARKETS on Wall Street opened yesterday beneath the shadow of the increase in the Federal Reserve's discount rate, announced after the close of trading on Friday, writes Terry Boyd in New York. The Fed's move had not been unexpected and share prices opened firmer, helped by initial improvement in the bond market, but stock prices began to weaken at midsession, reflecting a continued concern over the outlook for interest rates and continued firmness in the federal funds rate.

up early gains and began to turn easier as support faded. The stock market was unsettled by the disclosure that U.S. airline passenger traffic - often seen as an important indicator of business activity - fell during the first quarter. The static unemployment trend was also seen as a possible indication that the pace of economic recovery is slowing. Among motor issues, the latest sales trends have been received with some coolness in the stock market. Ford Motor dipped 5 1/2% to \$33 1/2, and General Motors at \$62 1/2 showed a similar fall. Chrysler at \$22 3/4 was 5 1/2% better, reflecting a partial recovery from last week's fall after the number three car maker disclosed lower sales for the end-March period.

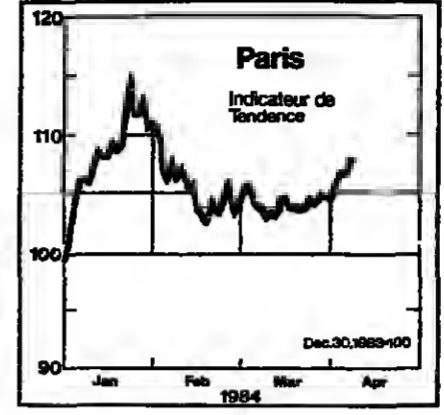
TOKYO Margin debt prospects are daunting

AN UNCERTAIN outlook for Wall Street and a fast-swelling Japanese margin debt left investors on the sidelines in Tokyo yesterday, writes Shigeo Nishitaki of Jiji Press. Chemicals, non-ferrous metals and pharmaceuticals were sought, although trading was sluggish with only 290.17m shares changing hands compared with Friday's 554.68m. The Nikkei-Dow market average rebounded for the first time in four sessions, though, closing up 56.98 at 10,690.70. Investors and securities houses were awaiting Wall Street's response to the Federal Reserve's discount rate rise. Buying interest was further daunted by speculation that margin debt on Japan's three exchanges might have increased by about 900bn last week.

LONDON Calm start to a freer era on way

THE FIRST move towards a new deregulated era for the London stock markets passed with barely a ripple yesterday, with the elimination of fixed commissions on overseas securities apparently doing nothing to boost volume. A cautious start was made to a three-week trading account, awaiting Wall Street's reaction to the rise in the U.S. discount rate. Discount houses flared into prominence, but retail banks weakened on fears of possible fund-raising - aroused by projections of the cost of extra taxes through the phasing out of capital allowances.

The bond market was drab as institutional investors and securities houses were preoccupied with fears of another U.S. discount rate boost soon. The yield on the benchmark 7.5 per cent long-term government bonds due in January 1993 eased one basis point to 7.02 per cent, but the drop was not considered to reflect market forces.



EUROPE Motivation has local derivation

MOTIVATION for the European bourses yesterday came largely from local stimuli, although in some cases a wish to wait for Wall Street to adjudge the impact of the increase in the U.S. discount rate held exchanges back. Active Paris trading was attributed to the government forecast of an 11 per cent rise in real terms of industrial investment this year after 5 per cent drop in 1983. Expectations of a fall in the call money rate also firm sentiment and the Indicateur de Tendence rose 1.3 to 106.1.

In constructions, Bouygues continued its recent oscillations with a Ffr 11 fall to Ffr 665, while Dumez added a further Ffr 5 to Ffr 720, thereby extending last week's gains to Ffr 30. Overall, banks and financials were firm, while foods and cars improved with BSN up Ffr 33 to Ffr 2,570 and Peugeot Ffr 4.50 higher at Ffr 233.50. A 1 percentage point cut to 12 per cent in short-term interest rates proved sufficient impetus for Brussels to reach a new high with the Stock Exchange index 0.56 up at 151.15. Most investors appeared to have ignored Socialist trade union calls for another one-day strike today in protest at government plans to cut real wages and social security benefits. Petrofina put on Bfr 70 to Bfr 7,570, a new 1983-84 high, while Electroler approached its high for the period with a Bfr 60 rise to Bfr 6,580. Very thin Frankfurt trading was aggravated by foreign selling which took the Commerzbank index 6.5 lower to 1,005.9. Domestic investors, concerned over the current 38-hour working week dispute in industry, confined their selling within moderate limits, however. Lufthansa suffered one of the largest declines with a DM 5.10 fall to DM 157.90, while in a generally weaker banking sector Deutsche Bank fell DM 3 to DM 371.50. Among car makers, BMW slipped below the DM 400 level for the first time in almost a month with a DM 4.50 decline to DM 399, and Daimler-Benz continued weaker with a DM 3 setback to DM 552. Bayer rose DM 1 to DM 169 after sharply higher pre-tax profits, while Metallgesellschaft lost 30 pf to DM 232.20 despite its strong earnings turnaround. Hoechst rose DM 10 to DM 520. Bonds were firm as the Bundesbank sold DM 56m in public paper compared with Friday's DM 41.6m. A slight rise in Dutch inflation and the higher U.S. discount rate turned Amsterdam stocks lower although domestic bonds gained about 20 basis points. Internationals eased, banks were lower, although insurers performed well with a Fl 1.60 rise to Fl 129.80 for Aegon and a Fl 1 gain to Fl 154 for Amev. Abold's Fl 4.50 drop to Fl 195 was attributed to institutional selling. Steady selling pressure undermined Milan while a slow retreat was in evidence in Stockholm. Zurich was closed for a local holiday, but indices were calculated from other Swiss centres. Madrid observed its usual Monday closure.

KEY MARKET MONITORS. Includes Standard & Poors 500 (Composite) chart and tables for Stock Market Indices, Currencies, Interest Rates, U.S. Bonds, and Commodities across various countries and regions.

HONG KONG A ONE-POINT weekend increase in local prime rates was met with equanimity in Hong Kong, as was a profits and dividend setback from Cheung Kong. The property major held steady at HK\$9.53, and the finish overall was firm after a shaky start. Hongkong Land gained 7 cents to HK\$3.57 and Hongkong and Shanghai Bank 5 cents at HK\$9.25. Hong Kong Electric slipped 40 cents to HK\$3.50 as a debut offering from Shell Electric was 30 times oversubscribed.

SINGAPORE SELECTIVE Singapore buying support gave gains a two-to-one lead over declines, and a 3.76 rise in the Straits Times industrial index brought it nearer to regaining the 1,000 mark at 996.12. General Corporation, which as volume leader accounted for 2.4m of the total 10.6m unit turnover, picked up 10 cents to S\$3.20 on persistent rumours of a scrip issue ahead, as well as strong support from local broker Alfa-Pacific. Elsewhere, Straits Trading added 10 cents to S\$6.05, but Malayan Banking slipped that amount to S\$10.20.

AUSTRALIA FIRMNESS in metal values encouraged a quietly better Sydney result, aided also by stock shortages and the allure to overseas investors of a lower Australian dollar. BHP, initially weaker, finished steady at an ex-rights A\$14.50, while CRA put on 12 cents at A\$6.08 and Western Mining 7 cents at A\$4.35. A mixed industrial sector showed building material issues lower, with 5-cent falls for Pioneer at A\$1.62 and Boral at A\$3.55, but demand for property developers. Lend Lease rose 10 cents to A\$4.90.

Two of America's most valuable exports. Advertisement for BusinessWeek International featuring a 'Dollar Fever' headline and a coupon for a complimentary Executive Portfolio.

Prices at 3pm, April 9

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of stock prices with columns for 12 Month High/Low, Stock, Dr. Yld., P/E, 100s High/Low, and various price points.

Closing U.S. share prices were not available for today's edition because of industrial action at the Financial Times printers in Frankfurt.

Kidder, Peabody Securities Limited

Market Makers in Euro-Securities

An affiliate of Kidder, Peabody & Co. Incorporated

New York • London • Paris • Geneva • Zurich • Hong Kong • Tokyo

Continued on Page 35

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AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 9

Handwritten note: كذا هو الكمال

Main table of American stock exchange composite prices, listing various stocks with columns for 12-month high/low, current price, and change.

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of New York stock exchange composite prices, listing various stocks with columns for 12-month high/low, current price, and change.

Continued on Page 36

Notes and footnotes regarding stock prices, including information about dividends and price adjustments.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, and others. Columns include country, date, price, and change.

OVER-THE-COUNTER

Table of over-the-counter stock prices with columns for stock name, price, and change.

LONDON

Chief price changes (in pence unless otherwise indicated)

Table of London chief price changes for various stocks and indices.

Table of American stock exchange prices for various companies, including 12-month high/low and price/earnings ratios.

NEW YORK STOCKS

Table of New York stock indices and active stocks.

Table of New York stock indices and active stocks, continuing from the previous section.

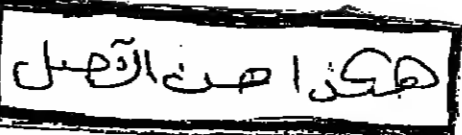
AMERICAN STOCK EXCHANGE PRICES

Table of American stock exchange prices for various companies, including 12-month high/low and price/earnings ratios.

NEW YORK

Table of New York stock prices for various companies.

Handwritten signature or note at the bottom of the page.



Equity leaders pursue irregular course in slow trade

Gilts edge firmer throughout

Account Dealing Dates
Option
*First Declared Last Account
Dealings Dealing Day
Mar 26 Apr 5 Apr 6 Apr 16
Apr 26 Apr 27 May 3
Apr 30 May 10 May 21

London markets traded cautiously yesterday, the first session of a three-week trading Account, awaiting Wall Street's reaction to the rise in the U.S. Federal Reserve Discount rate.

This was announced after the close of business on Friday. The increase of 1/4 to 9 per cent was the first movement since December 1982—smaller than had been expected, suggesting that the Fed was not seeking to push interest rates higher but, at the same time, was gradually tightening its monetary policy.

Dealers here took the view that the news was unlikely to have any great impact on U.S. share values. They chose to ignore leading shares and concentrated on speculative stocks and those issues recommended in the FT Industrial columns.

The irregular trading pattern of blue chip equities was borne out by the FT Industrial Ordinary Share Index. Eleven constituents moved higher, 11 went lower and the remainder closed unchanged.

Clearers fall
NatWest's revelation that the Chancellor's Budget decision to phase out capital allowances could cost the group £50m in extra taxes and analysts' fears that the estimated total bill for the four main clearing banks could amount to £1.5bn depressed the sector.

that much to 658p, after 655p, while Lloyds gave up 15 to 596p and Barclays 15 to 485p. Midland softened only 5 to 579p. In contrast, Discount Houses were stimulated by a Financial Times article that they could attract suitors as a result of the impending changes in stock exchange regulation later this year.

Commercial Union began the new Account strongly, rising 8 to 259p after 259p, as rumours of a U.S. bid, or rumours, were faced. Among Life Insurances, Pearl put on 8 to 785p ahead of tomorrow's preliminary results.

ICI drifted lower to close 8 cheaper at 586p. Elsewhere in the chemical sector, James Watson eased 2 to 70p following the lower interim profits.

Approach to Comet
A relatively uninspiring session among 50pers was enlivened by electrical retailers Comet which spurred 60 to 288p following the mid-afternoon announcement of a bid approach; immediate market response was to suggest Habitat Motobecane as a likely snitter—a rumour soon scotched by the latter's board.

FINANCIAL TIMES STOCK INDICES
Table with columns: April 9, April 10, April 11, April 12, April 13, April 14, April 15, year ago

HIGHS AND LOWS S.E. ACTIVITY
Table with columns: High, Low, S.E. Activity

net 12c dearer at 99p. French Connection were also wanted and rose 15 to 300p, albeit in a restricted market. Button and trimming merchants C. A. Specialty, still anticipating a "shell" operation in the wake of the bid from Messrs F. Nash and S. Alexander, improved 30 to record a two-day advance of 110 to 330p; it was revealed last Friday that Mr Cyril Lewis Barnard has acquired around 6.6 per cent of the equity.

The prospect of a Stock Exchange inquiry into dealings in the company's shares prompted pro-fitting of Strong and Fisher, which eased 7 to 165p. Plessey, up 10 to 242p, in response to Press comment ahead of tomorrow's expected meeting with investment analysts. Electrical retailers Comet which spurred 60 to 288p following the mid-afternoon announcement of a bid approach; immediate market response was to suggest Habitat Motobecane as a likely snitter—a rumour soon scotched by the latter's board.

Leisure sector, rising 8 to 112p on news that Hawley intends to increase its holding in the company to 75 per cent. Intervention gained 3 to 29p in response to an investment recommendation, while Mans put on 6 to 151p and Campart 2 to 28p.

The prospect of an institutional boycott of the Reuters flotation in protest against the proposed unequal voting structure resulted in modest falls among the issues concerned. Fleet eased a few pence to 160p, while Associated Newspapers finished 8 off at 475p. Among regional, United, 315p, and BFM, 117p, shed 5 pence. Fears of similar action against the pending Mirror Group flotation left Reed International 6 cheaper at 434p. Paper/Printers highlighted Mr Robert Maxwell's British Printing, which advanced to 185p before settling 13 to the good at 181p; the preliminary results are due sometime this Account.

Properties dotted an irregular course in thin trading. Cussias moved up 5 to 255p following the results and Marketwatch reported a 47.5p per share hopes, added the same amount at 125p. Mountview advanced 10 to 265p as did Rosehaugh, to 460p, but Bridgwater Estates closed 2 lower at 310p and Shippings made a firmer showing under the lead of Common Brothers which benefited from weekend Press mention and touched 137p before closing 10 dearer on balance at 130p. Lyle, down 14 last Friday following the omitted final dividend and increased annual loss, rallied 7 to 88p, after 88p, while revived speculative interest lifted Reardon Smith 3 to 44p.

News of the group's proposal to raise at least US\$75m of an offer in the U.S. of ordinary shares in the form of American Depositary Receipts in the company's shares prompted pro-fitting of Strong and Fisher, which eased 7 to 165p. Plessey, up 10 to 242p, in response to Press comment ahead of tomorrow's expected meeting with investment analysts. Electrical retailers Comet which spurred 60 to 288p following the mid-afternoon announcement of a bid approach; immediate market response was to suggest Habitat Motobecane as a likely snitter—a rumour soon scotched by the latter's board.

and Harbrest, 21 1/2 up at 558p, while encouraging quarterly results boosted Kiof 1 to 236p and Driefontein 1 to 224p. The Orange Free State mines in the Anglo American group attracted persistent interest ahead of the dividends due on Wednesday week, with Western Holdings advancing 10 to 537p. Features among South African Financials included GISA and Gencor which added a half-point apiece at 116 and 113 1/2 respectively.

Rio Tinto-Zinc were a firm market in London Financials and moved up 12 to 669p. Elsewhere, Wankie Colliery advanced 10 to 220p in a narrow range. In the leaders MIM Holdings edged up 3 to 233p and CRA a couple of pence to 390p, the latter following favourable weekend Press comment. On the other hand, falls ranging up to around 4 were common to Bougainville, 170p, Peko-Wallend, 342p and Renison, 242p.

Continuing speculation in the underlying shares again stimulated a sizeable Traded Options business in Commercial Union which attracted 800 calls, 357 put and 170 calls, while closed 9 up at 30p, and 170 puts. Shell Transport 334 calls, Total contracts amounted to 3,625, a slight increase on last week's daily average of 3,450.

Initial small falls in leading domestic oils were quickly reversed as the market rallied. Issues closed with modest gains on balance. Tricentral was a firm feature, responding to good demand in after-hours trading. It advanced 10 to the good at 203p. LAMSO ended the day a net 5 firmer at 303p, while BP settled at 478p, unchanged on the day, after 478p. Among numerous features in the line issues KCA Drilling put on 5 to 38p following the chairman's statement and Pict Petroleum, still responding to rumours of a further oil discovery on the North Sea block 15/21A, closed a net 3 higher at 160p, after 168p. Hamming Petroleum held steady at 170p, while the preliminary results.

Outstanding performers in the heavyweights came from Vaal Reefs, 2 1/2 to the good at 291p; a similar reason. Week-end Press mention prompted occasional demand for Sparrow, which improved 14 to 18p, but I. and J. Hyman eased 3 1/2 to 31 1/2p in front of today's preliminary statement. Hawley Group, which already owns approximately 68 per cent of the ordinary share capital of Kean and Scott, announced yesterday that it wants to increase its stake to 75 per cent and is prepared to buy shares in the market at 60p per share. Speculative buying by investors 6 to the good at 62p, while Colker advanced 7 1/2 to 232p ahead of Thursday's preliminary results.

Black and Edgington provided a firm feature in the

STOCK MARKETS OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 36
Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Table with columns: Option, Apr, July, Oct, Apr, July, Oct

Apr. 9. Total Contracts 4,678. Calls 2,650. Puts 972. Underlying as equity price.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Mon April 9-1984, Fri April 6, Thurs April 5, Wed April 4, Tues April 3, Year ago (approx)

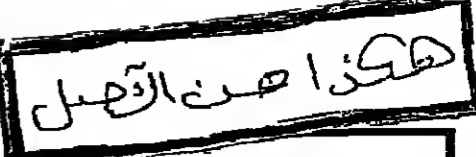
Table with columns: FIXED INTEREST, AVERAGE GROSS REDEMPTION YIELDS, PRICE INDICES

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Aug., Last, Vol., Last, Nov., Last, Otcok

LONDON TRADED OPTIONS

Table with columns: CALLS, PUTS, Option, May, Aug, Nov, May, Aug, Nov



NOMURA INTERNATIONAL LIMITED NEW-ERA INVESTMENT AND UNDERWRITING OFFICES WORLDWIDE 3 Greenchurch Street EC3V 0AD Telephone (01) 283 8811

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: INDUSTRIALS—Continued

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: LEISURE—Continued

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: PROPERTY—Continued

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: INVESTMENT TRUSTS—Cont.

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: OIL AND GAS—Continued

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: MINES—Continued

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: MISCELLANEOUS

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: INSURANCES

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: PAPER, PRINTING ADVERTISING

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: TOBACCO

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: TRUSTS, FINANCE, LAND

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: OIL AND GAS

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: MINE

Table with columns: High, Low, Stock, Price, % Chg, Div, Yield, P/E. Section: REGIONAL AND IRISH STOCKS

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Growth, Abbey Income, etc., with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Table listing FT Unit Trust Information Service products, including Crown Unit Trust, Crown Growth, Crown Income, etc., with columns for name, manager, and performance metrics.

Table listing various insurance and investment products, including Temple Unit Trust, Temple Growth, Temple Income, etc., with columns for name, manager, and performance metrics.

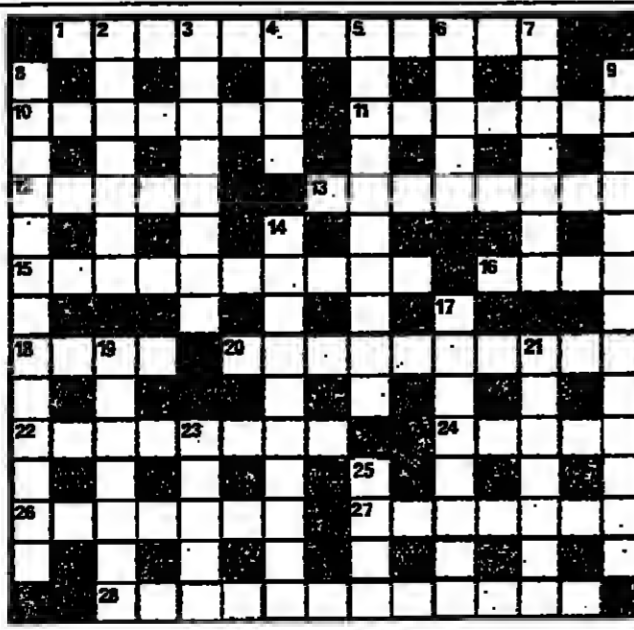
Table listing insurance companies and their products, including Abbey Life Assurance, Abbey Fire & Marine, etc.

Table listing investment and fund management companies, including Abbey Fund Management, Abbey Investment, etc.

Table listing money market and bank accounts, including Abbey Money Market, Abbey Bank Accounts, etc.

F.T. CROSSWORD PUZZLE No. 5389

- 1 Encounter between strikers and delivery men (7, 5)
2 Front cover for "The Housewife at Work" (5)
3 The man means to replace a church worker (8)
4 An informal message mother takes—and more, perhaps (10)
5 Cold individual going round at one time (4)
6 Place it within the borders of Singapore (4)
7 Scolding while coming away (7, 3)
8 Cooked nice cod, first taste of the western world (8)
9 Are back after work for entertainment (5)
10 Dried fruit placed before a ruler (7)
11 Grant obtained by Charles I on surrender (7)
12 Which means one's going to be late for one's punishment? (5, 7)
13 Neat thief? (7)
14 In a lower position, dare the housewife at work? (5)
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100 An informal message mother takes—and more, perhaps (10)



Solution to Puzzle No. 5388
chop getting an old car (7)
8 Nice and smug, having just popped up? (2, 4, 2, 5)
9 Theatre Royal? (6, 2, 5)
14 In a lower position, dare the housewife at work? (5)
17 It stops one dropping off Simon and Izzy, perhaps (8)
19 Amused for a moment, went ahead (7)
21 Take too much in? (7)
22 Play a doctor and a mother (5)
25 Account to his Excellency for the pain (4)

Table listing offshore and overseas investment products, including Abbey Offshore, Abbey Overseas, etc., with columns for name, manager, and performance metrics.

Table listing various financial services and products, including Abbey Financial Services, Abbey Investments, etc., with columns for name, manager, and performance metrics.

Selfies Ltd

Handwritten text in a box at the top center of the page.

INSURANCE & OVERSEAS MANAGED FUNDS

Table of insurance and overseas managed funds, including entries for Barclay's Life Ass., Black Horse Life Ass., and various international funds.

Table of insurance and overseas managed funds, including entries for Lloyds Life Assurance, Prudential Assurance, and various international funds.

Table of insurance and overseas managed funds, including entries for Standard Life Assurance, Sun Life of Canada, and various international funds.

Table of insurance and overseas managed funds, including entries for Bank of America International, Baring's Overseas, and various international funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas managed funds, including entries for AIG Investment, Allianz Fund, and various international funds.

NOTES section at the bottom right of the page, providing additional information and disclaimers.

COMMODITIES AND AGRICULTURE

Selling hits zinc and aluminium

BY JOHN EDWARDS, COMMODITIES EDITOR

ALUMINIUM and zinc bore the brunt of heavy speculative selling which hit the London Metal Exchange yesterday, encouraged by the farmer tread in sterling against the dollar.

Further Common Market farm price cuts urged

A POLICY of progressive price cuts is the only alternative to mounting expenditure on the EEC's Common Agricultural Policy, according to reports from Australia that the Brussels-based agricultural intelligence bulletin.

Tea prices recover at London auctions

By Our Commodities Staff

TEA PRICES staged a minor recovery at the London auctions yesterday after many weeks of declining from the peak levels reached in January.

Price indications by the Tea Brokers Association put quality tea unchanged at 282p a kilo, but raised medium grade to 250p against 247p last week and low medium to 220p against 216p.

Zimbabwe reaps a crucial tobacco crop

BY TONY HAWKINS IN HARARE

ZIMBABWE'S fine-cured tobacco auctions open at two floors in Harare today against the background of a severe foreign payments crisis.

Indian jute industry strike called off

By P. C. Majumdar in Calcutta

THE 82-day strike in the Indian jute industry has been called off with the employers accepting most of the workers' demands, including a substantial increase in wages, grades and scales of pay, and with workload norms to be fixed within a reasonably short time.

The strike has left the industry in a battered shape with some 294,000 tonnes of goods put up worth 2.5bn rupees (£160m) lost and an export loss of 70,000 tonnes valued at 700m rupees.

Government prepares changes to Fowl Pest Order

BY KEVIN BROWN

THE Government yesterday announced changes in the law to control the distribution of animal food suspected of causing fowl pest in chickens.

PRICE CHANGES

Table with columns: In tonnes unless stated otherwise, Apr 9 1984, + or - Month ago. Rows include Metals (Aluminium, Copper, Lead, Zinc), Oil (Crude, Gas), and other commodities.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Unit, Price, Change. Rows include Wheat, Flour, Sugar, Cocoa, Rubber, and various oils.

Wool Futures

Table with columns: Month, Price, Change. Rows include various wool grades and futures contracts.

Pakistan's edible oil imports set to soar

BY MOHAMMED AFTAB IN ISLAMABAD

Pakistan's edible oil imports will greatly increase for fiscal 1984-85 as a result of the setback to domestic cottonseed production.

LONDON OIL

The market was due to open higher based against the close in New York, however, watered oil was the main factor.

SPOT PRICES

Table with columns: Commodity, Price, Change. Rows include Crude Oil, Gas Oil, and various petroleum products.

BASE METALS

BASE-METAL prices lost ground on the London Metal Exchange yesterday as the rise in sterling and depression in house selling, edged up stocks.

COPPER

Table with columns: Month, Price, Change. Rows include various copper grades and futures contracts.

WHEAT

Wheat—U.S. Dark Northern Spring No 14 per cent June 1984, 138.25, 137.75, 137.25.

SOYBEAN MEAL

Table with columns: Month, Price, Change. Rows include various soybean meal grades and futures contracts.

FINANCIAL TRENDS

Table with columns: Index, Value, Change. Rows include various financial indices and market trends.

GOLD MARKETS

Gold rose 5 1/2 oz from Friday's close in the London bullion market yesterday to finish at \$382.383.

LONDON FUTURES

Table with columns: Month, Price, Change. Rows include various futures contracts for metals and commodities.

TIN

Tin—Morning Standard Cash 2920, three months 2720, 2700, 2680.

LEAD

Table with columns: Month, Price, Change. Rows include various lead grades and futures contracts.

COFFEE

COFFEE—(4,677 lots) of 10 tonnes, 1984/85, 1985/86, 1986/87.

COCAO

Table with columns: Month, Price, Change. Rows include various cocoa grades and futures contracts.

MEAT/FISH

MEAT COMMISSION—Average best Scotch mutton 77.0 to 83.0.

SUGAR

Table with columns: Month, Price, Change. Rows include various sugar grades and futures contracts.

EUROPEAN MARKETS

Table with columns: Commodity, Price, Change. Rows include various European market prices for metals and commodities.

ALUMINIUM

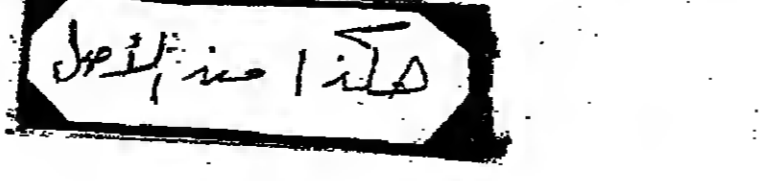
Table with columns: Month, Price, Change. Rows include various aluminium grades and futures contracts.

GRAINS

Table with columns: Month, Price, Change. Rows include various grain prices and futures contracts.

IFAD approves loans for agricultural projects

THE International Fund for Agricultural Development has approved loans worth \$48.5m (£34m) to help finance five agricultural development projects in Africa.



CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers from weak start

The dollar recovered from a weak opening on the foreign exchange market yesterday, but closed in London slightly weaker than on Friday...

On Bank of England figures, the dollar's trade-weighted index fell to 137.0 from 137.2. Sterling - Trading range against the dollar in 1983-84 is 1.6245 to 1.3955...

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices finished up from Friday's levels but down from the day's highs in the London International Financial Futures Exchange yesterday...

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, % change, % change divergence, Divergence limit %

THE DOLLAR SPOT AND FORWARD

Table with columns: Date, Spot, Forward, % change

LONDON

Table with columns: Date, High, Low, Prev, Close

CHICAGO

Table with columns: Date, High, Low, Prev, Close

THE POUND SPOT AND FORWARD

Table with columns: Date, Spot, Forward, % change

THE DOLLAR SPOT AND FORWARD

Table with columns: Date, Spot, Forward, % change

20-YEAR 12% NOTIONAL GILT

Table with columns: Date, High, Low, Prev, Close

OTHER CURRENCIES

Table with columns: Country, Currency, Rate

CURRENCY MOVEMENTS

Table with columns: Country, Currency, Movement

CURRENCY RATES

Table with columns: Country, Currency, Rate

E. BAILEY

E. Bailey Commodities Limited wishes to announce the opening of its Isle of Man office at 14b Achol Street, Douglas, Isle of Man...

TAX HAVEN BANK

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THE WESTMINSTER COMMODITY FUND

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PUBLIC NOTICES

H.M. LANG REGISTRY. Notice of the transfer of the registered office of the company...

EXCHANGE CROSS RATES

Table with columns: Country, Currency, Rate

EURO-CURRENCY INTEREST RATES

Table with columns: Term, Rate

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound sterling against other major currencies...

Large table with columns: COUNTRY, CURRENCY, VALUE OF £ STERLING

MONEY MARKETS

London rates easier

Interest rates had a slightly easier tone on the London money market yesterday, encouraged by the improvement of sterling on the foreign exchange market...

MONEY RATES

Table with columns: Term, Rate

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Term, Rate

FT LONDON INTERBANK FIXING

Table with columns: Term, Rate

MONEY RATES

Table with columns: Term, Rate

* Rate is the transfer market (contracted). † New one official rate. [U] Unofficial rate. Applicable on 28 transactions except countries having a bilateral agreement with Egypt...

INTERNATIONAL CAPITAL MARKETS

\$100m credit for Portugal's electric utility

By Peter Montagnon, Euromarkets Correspondent

ELECTRICIDADE de Portugal, the electricity utility, is raising \$100m in the Euromarkets through a seven-year loan facility...

underwritten by a small group of banks. It is similar in format to revolving underwriting facilities but bears two marked distinctions...

EUROBONDS EIB takes advantage of modest recovery

EUROBONDS EIB takes advantage of modest recovery

By Mary Ann Steghart in London A SMALL rally in Eurodollar bond prices allowed the European Investment Bank to launch a \$300m fixed-rate bond yesterday...

Sallie Mae, the major financial intermediary serving the U.S. education credit market, is pleased to announce listing of its nonvoting common stock (SLM) on the New York Stock Exchange commencing today, April 10, 1984.

Sallie Mae funds higher education in the United States by providing a secondary market and other financial services for originators of student credit.

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Handwritten signature: J. P. de Wit

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 9.

Table with columns for Country, Issuer, Maturity, Yield, and Price. Includes sections for U.S. Dollar, Swiss Franc, and Yen.

Small text at the bottom of the bond table providing additional details.

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